

Financial Analysts Briefing Supplement Fourth Quarter 2016

This document is a fourth quarter statistical supplement to the Financial Analysts Briefing book. As you review the supplement, please note:

The following materials include references to our performance measures, operating earnings, operating earnings per diluted share, operating revenues and operating profit margins. These measures are not calculated in accordance with U.S. GAAP. They exclude items that we believe may obscure the underlying fundamentals and trends in our insurance operations because they tend to be driven by general economic conditions and events or related to infrequent activities not directly associated with our insurance operations. Our management uses operating earnings and operating earnings per diluted share to evaluate the financial performance of our insurance operations on a consolidated basis and we believe that a presentation of these measures is vitally important to an understanding of our underlying profitability drivers and trends of our insurance business.

Aflac defines these non-U.S.GAAP measures as follows:

- Operating earnings are the profits derived from operations. Operating earnings include interest cash flows associated with notes payable but exclude items that cannot be predicted or that are outside of management's control, such as realized investment gains and losses from securities transactions, impairments, and derivative and hedging activities; nonrecurring items; and other non-operating income (loss) activities from net earnings. A reconciliation of net earnings to operating earnings is on page 2.
- Operating earnings per share (basic or dilutive) are the operating earnings for the period divided by the average outstanding shares (basic or dilutive) for the period presented.
- Operating revenues as presented in yen are total revenues excluding realized investment gains (losses), foreign currency gains (losses) and revenue items considered to be non-recurring in nature.
- Operating profit margin as presented in yen is calculated by dividing operating earnings by operating revenues.

Because a significant portion of our business is conducted in Japan and foreign exchange rates are outside of management's control, we believe it is important to understand the impact of translating Japanese yen into U.S. dollars. Operating earnings and operating earnings per diluted shares "excluding foreign currency impact" are computed using the average yen/dollar exchange rate for the comparable prior year period, which eliminates dollar based fluctuations driven solely from currency rate changes.

On October 1, 2009, Aflac Incorporated acquired Continental American Insurance Company (now referred to as Aflac Group Insurance). Beginning in the fourth quarter of 2009, Aflac U.S. sales and financial results reflect the inclusion of this acquisition.

On January 1, 2010, the company adopted amended accounting guidance, which resulted in the consolidation of certain company investments in variable interest entities (VIEs). As a result, the interest rate, foreign currency, and credit default swaps on certain VIEs are now marked to market with the impact being included as part of realized investment gains and losses and therefore, excluded from operating earnings.

On January 1, 2012, the company retrospectively adopted revised accounting guidance for Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts, which resulted in an immaterial decrease to deferred policy acquisition costs and earnings in prior periods.

On January 1, 2016, the company retrospectively adopted revised accounting guidance for Accounting for Costs Associated with Debt Issuance, which resulted in an immaterial decrease to other assets and notes payable.

On January 1, 2016, the company revised its definition of purchases to include "swap" purchase activity. New purchases include all purchases related to fixed maturities and perpetuals, loan receivables, and equities. Securities lending/repurchase agreement activity and capital contributions to alternatives are excluded. The definition of new money yield has also been revised to reflect this change. Yields for equities are based on assumed dividend yield at time of purchase. Historical amounts have been revised to reflect the new definitions.

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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
2011	1	469,661	324	830	3,100	151	467,564	468,012	4,092	472,104	468,012	4,092	472,104
	2	467,564	421	86	1,000	4	467,067	466,498	3,254	469,752	467,317	3,673	470,990
	3	467,067	507	67	1,000	2	466,639	465,910	1,883	467,793	466,843	3,076	469,919
	4	466,639	437	159	900	25	466,310	465,559	2,175	467,734	466,519	2,851	469,370
2012	1	466,310	381	971	—	199	467,463	465,887	2,646	468,533	465,887	2,646	468,533
	2	467,463	524	129	—	6	468,110	466,788	1,802	468,590	466,337	2,224	468,561
	3	468,110	401	278	—	65	468,724	467,422	2,299	469,721	466,702	2,249	468,951
	4	468,724	364	737	1,948	91	467,786	467,364	2,927	470,291	466,868	2,419	469,287
2013	1	467,786	364	978	2,979	124	466,025	466,462	2,662	469,124	466,462	2,662	469,124
	2	466,025	406	692	2,284	19	464,820	465,213	2,762	467,975	465,834	2,712	468,546
	3	464,820	310	908	308	19	465,710	464,324	3,067	467,391	465,325	2,727	468,052
	4	465,710	284	1,118	7,641	58	459,413	462,058	3,447	465,505	464,502	2,906	467,408
2014	1	459,413	284	976	6,535	110	454,028	454,731	2,968	457,699	454,731	2,968	457,699
	2	454,028	342	199	1,607	12	452,950	452,559	2,821	455,380	453,639	2,895	456,534
	3	452,950	304	183	2,928	10	450,499	451,246	2,735	453,981	452,833	2,841	455,674
	4	450,499	321	240	8,590	25	442,445	446,370	2,660	449,030	451,204	2,796	454,000
2015	1	442,445	295	1,020	9,827	162	433,771	437,306	2,621	439,927	437,306	2,621	439,927
	2	433,771	316	289	3,707	52	430,617	431,672	2,585	434,257	434,473	2,604	437,077
	3	430,617	308	556	3,887	27	427,567	428,735	2,367	431,102	432,540	2,524	435,064
	4	427,567	290	286	3,758	5	424,380	425,056	2,500	427,556	430,654	2,518	433,172
2016	1	424,380	311	853	10,152	189	415,203	418,748	2,172	420,920	418,748	2,172	420,920
	2	415,203	283	537	5,874	34	410,115	411,853	2,473	414,326	415,301	2,322	417,623
	3	410,115	228	532	2,748	106	408,021	408,519	2,621	411,140	413,023	2,423	415,446
	4	408,021	243	392	2,844	2	405,810	406,847	2,533	409,380	411,471	2,450	413,921

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

Summary of Operating Results by Business Segment

(In Millions, except per-share data)

	Years Ended December 31,					3 Months Ended			12 Months Ended		
	2011	2012	2013	2014	2015	2015	2016	% Change	2015	2016	% Change
Aflac Japan	\$ 3,829	\$ 3,904	\$ 3,628	\$ 3,458	\$ 3,175	\$ 810	\$ 775	(4.3)	\$ 3,175	\$ 3,334	5.0
Aflac U.S.	904	997	1,038	1,073	1,101	237	263	10.4	1,101	1,208	9.7
Interest expense, non-insurance operations	(168)	(184)	(198)	(198)	(146)	(29)	(38)		(146)	(128)	
Parent company, other operations and eliminations	(63)	(59)	(69)	(80)	(57)	(3)	(33)		(57)	(111)	
Pretax operating earnings	4,502	4,658	4,399	4,253	4,073	1,015	967	(4.7)	4,073	4,303	5.6
Income taxes	1,556	1,561	1,512	1,456	1,403	347	337	(2.8)	1,403	1,491	6.2
Operating earnings*	2,946	3,097	2,887	2,797	2,670	668	630	(5.6)	2,670	2,812	5.3
Reconciling items:											
Securities transactions and impairments	(1,307)	(503)	63	184	150	107	114		150	132	
Impact from derivatives and hedging	(245)	154	326	(13)	(95)	(16)	2		(95)	(340)	
Other and non-recurring income (loss)	–	(7)	28	67	(266)	4	70		(266)	(28)	
Income tax benefit (expense) on items excluded from operating earnings	543	125	(146)	(84)	74	(33)	(65)		74	83	
Net earnings	\$ 1,937	\$ 2,866	\$ 3,158	\$ 2,951	\$ 2,533	\$ 730	\$ 751	3.0	\$ 2,533	\$ 2,659	5.0
Earnings per share of common stock:											
Net earnings (basic)	\$ 4.16	\$ 6.14	\$ 6.80	\$ 6.54	\$ 5.88	\$ 1.72	\$ 1.85	7.6	\$ 5.88	\$ 6.46	9.9
Net earnings (diluted)	4.12	6.11	6.76	6.50	5.85	1.71	1.84	7.6	5.85	6.42	9.7
Operating earnings (basic)*	\$ 6.32	\$ 6.63	\$ 6.22	\$ 6.20	\$ 6.20	\$ 1.57	\$ 1.55	(1.3)	\$ 6.20	\$ 6.84	10.3
Operating earnings (diluted)*	6.27	6.60	6.18	6.16	6.16	1.56	1.54	(1.3)	6.16	6.79	10.2

* See definition of operating earnings on cover page.

Numbers may fail to foot due to rounding.

Consolidated Statements of Earnings

(In Millions, except per-share data)

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2011	2012	2013	2014	2015	2015	2016	% Change	2015	2016	% Change
Revenues:											
Net premiums											
Gross premiums	\$ 20,373	\$ 22,168	\$ 20,233	\$ 19,412	\$ 17,904	\$ 4,478	\$ 4,868	8.7	\$ 17,904	\$ 19,592	9.4
Assumed (ceded)	(11)	(20)	(98)	(340)	(334)	(84)	(90)	7.1	(334)	(367)	9.9
Total net premiums	20,362	22,148	20,135	19,072	17,570	4,394	4,778	8.7	17,570	19,225	9.4
Net investment income	3,280	3,473	3,293	3,319	3,135	792	813	2.7	3,135	3,278	4.6
Realized investment gains (losses)	(1,552)	(349)	399	215	140	114	137		140	(123)	
Other income	81	92	112	122	27	19	227		27	179	
Total revenues	22,171	25,364	23,939	22,728	20,872	5,319	5,955	12.0	20,872	22,559	8.1
Benefits and Expenses:											
Benefits and claims, net											
Incurred claims -direct	9,854	10,378	9,110	8,738	7,952	1,982	2,216	11.8	7,952	8,780	10.4
Incurred claims -assumed (ceded)	(13)	(19)	(90)	(283)	(314)	(82)	(89)	8.5	(314)	(356)	13.4
Increase in FPB -direct	3,908	4,971	4,798	4,496	4,089	1,023	1,126	10.1	4,089	4,460	9.1
Increase in FPB -assumed (ceded)	-	-	(5)	(14)	19	7	9	28.6	19	35	84.2
Total net benefits and claims	13,749	15,330	13,813	12,937	11,746	2,930	3,262	11.4	11,746	12,919	10.0
Acquisition and operating expenses:											
Amortization of D.A.C.	1,033	1,117	1,074	1,108	1,066	276	283		1,066	1,141	
Insurance commissions	1,725	1,744	1,528	1,436	1,303	322	337		1,303	1,368	
Insurance expenses	2,336	2,415	2,222	2,261	2,214	580	651		2,214	2,452	
Interest expense	196	261	293	317	289	65	72		289	268	
Other expenses	182	195	193	178	392	36	197		392	344	
Total acquisition and operating expenses	5,472	5,732	5,310	5,300	5,264	1,279	1,540	20.3	5,264	5,573	5.8
Total benefits and expenses	19,221	21,062	19,123	18,237	17,010	4,209	4,802	14.1	17,010	18,492	8.7
Pretax earnings	2,950	4,302	4,816	4,491	3,862	1,110	1,153		3,862	4,067	
Income taxes	1,013	1,436	1,658	1,540	1,329	380	402		1,329	1,408	
Net earnings	\$ 1,937	\$ 2,866	\$ 3,158	\$ 2,951	\$ 2,533	\$ 730	\$ 751	3.0	\$ 2,533	\$ 2,659	5.0

Numbers may not foot due to rounding.

Analysis of Net Earnings and Net Earnings Per Diluted Share

(In Millions, except for per-share data)

	Net Earnings	Real. Inv. Gains/(Losses) ⁽¹⁾		Other and Non- ⁽¹⁾ Recurring Items	Operating ⁽²⁾ Currency Impact	Net Earnings Per Share	Real. Inv. Gains/(Losses) ⁽¹⁾		Other and ⁽¹⁾ Non-Recurring Items Per Share	Operating ⁽²⁾ Currency Impact Per Share
		Securities ⁽¹⁾	Impact From ⁽¹⁾				Securities ⁽¹⁾	Impact From ⁽¹⁾		
		Transactions/ Impairments	Derivatives and Hedging				Transactions/ Impairments Per Share	Derivatives and Hedging Per Share		
2006	\$ 1,483	\$ 51	\$ —	\$ —	\$ (39)	\$ 2.95	\$.10	\$ —	\$ —	\$ (.08)
2007	1,634	19	2	—	(11)	3.31	.04	—	—	(.02)
2008	1,254	(655)	(3)	—	111	2.62	(1.37)	—	—	.23
2009	1,497	(788)	(3)	11	124	3.19	(1.67)	(.01)	.02	.26
2010	2,328	(273)	(1)	—	92	4.92	(.58)	—	—	.19
2011	1,937	(850)	(159)	—	170	4.12	(1.81)	(.34)	—	.36
2012	2,866	(326)	100	(5)	8	6.11	(.69)	.21	(.01)	.01
2013	3,158	41	212	18	(357)	6.76	.09	.45	.04	(.76)
2014	2,951	119	(8)	43	(117)	6.50	.26	(.02)	.10	(.26)
2015	2,533	97	(61)	(173)	(198)	5.85	.23	(.14)	(.40)	(.46)
2016	2,659	86	(221)	(18)	141	6.42	.20	(.53)	(.04)	.34
2013 1	892	42	60	—	(71)	1.90	.08	.13	—	(.15)
2	889	55	75	—	(103)	1.90	.12	.16	—	(.22)
3	702	41	(26)	—	(97)	1.50	.09	(.06)	—	(.21)
4	675	(97)	103	18	(85)	1.45	(.21)	.22	.04	(.18)
2014 1	732	25	(61)	(6)	(48)	1.60	.05	(.13)	(.01)	(.10)
2	810	45	15	(7)	(13)	1.78	.10	.03	(.01)	(.03)
3	706	21	(17)	17	(19)	1.56	.05	(.04)	.04	(.04)
4	703	28	55	39	(37)	1.57	.07	.12	.09	(.08)
2015 1	663	40	(43)	(12)	(58)	1.51	.10	(.10)	(.03)	(.13)
2	573	60	8	(146)	(59)	1.32	.14	.02	(.34)	(.14)
3	567	(72)	(16)	(17)	(58)	1.32	(.16)	(.04)	(.04)	(.13)
4	730	70	(10)	2	(23)	1.71	.17	(.03)	.01	(.05)
2016 1	731	50	(17)	(28)	13	1.74	.12	(.04)	(.07)	.03
2	548	(13)	(122)	(24)	36	1.32	(.03)	(.30)	(.06)	.09
3	629	(25)	(82)	(12)	61	1.53	(.06)	(.20)	(.03)	.15
4	751	74	1	46	32	1.84	.19	—	.11	.08

(1) Items are presented net of tax at a 35% tax rate.

(2) See definition of foreign currency impact from cover page

Addition of quarters may not equal annual amounts due to rounding.

Aflac Group Insurance included starting 4th quarter 2009

Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs.

Consolidated Balance Sheets

(In Millions, except per-share data)

	2011	2012	2013	2014	2015	2016
Assets:						
Investments and cash:						
Securities available for sale:						
Fixed Maturities	\$ 42,222	\$ 51,466	\$ 53,227	\$ 61,407	\$ 60,795	\$ 68,778
Fixed Maturities - consolidated variable interest entities	5,350	5,787	4,843	4,166	4,554	4,982
Perpetual securities	5,149	3,728	2,479	2,240	1,719	1,425
Perpetual securities - consolidated variable interest entities	1,290	574	468	429	228	208
Equity securities	25	23	21	28	135	265
Equity securities - consolidated variable interest entities	-	-	-	-	363	1,044
Securities held to maturity:						
Fixed Maturities	46,366	54,137	44,178	34,159	33,459	33,350
Fixed Maturities - consolidated variable interest entities	643	289	237	83	-	-
Other Investments	168	174	463	171	294	1,450
Cash and cash equivalents	2,249	2,041	2,543	4,658	4,350	4,859
Total investments and cash	<u>103,462</u>	<u>118,219</u>	<u>108,459</u>	<u>107,341</u>	<u>105,897</u>	<u>116,361</u>
Receivables, primarily premiums, net	680	976	1,165	842	705	669
Accrued investment income	802	842	798	762	768	754
Deferred policy acquisition costs	9,789	9,658	8,798	8,273	8,511	8,993
Property and equipment, net	617	564	481	429	427	433
Other assets	869	798	1,567	2,080	1,948	2,609
Total assets	<u>\$ 116,219</u>	<u>\$ 131,057</u>	<u>\$ 121,268</u>	<u>\$ 119,727</u>	<u>\$ 118,256</u>	<u>\$ 129,819</u>
Liabilities and Shareholders' Equity:						
Liabilities:						
Total policy liabilities	\$ 94,239	\$ 97,720	\$ 89,402	\$ 83,933	\$ 87,631	\$ 93,726
Notes payable	3,267	4,315	4,858	5,242	4,971	5,360
Income taxes, primarily deferred	2,308	3,858	3,718	5,293	4,340	5,387
Other liabilities	3,459	9,186	8,670	6,912	3,606	4,864
Total liabilities	<u>103,273</u>	<u>115,079</u>	<u>106,648</u>	<u>101,380</u>	<u>100,548</u>	<u>109,337</u>
Shareholders' equity:						
Common stock	66	67	67	67	67	67
Additional paid-in capital	1,408	1,505	1,644	1,711	1,828	1,976
Retained earnings	15,148	17,387	19,885	22,156	24,007	25,981
Accumulated other comprehensive income (loss):						
Unrealized foreign currency translation gains (losses)	984	333	(1,505)	(2,541)	(2,196)	(1,983)
Unrealized gains (losses) on investment securities	1,143	2,570	1,035	4,672	2,986	4,805
Unrealized gains (losses) on derivatives	9	(5)	(12)	(26)	(26)	(24)
Pension liability adjustment	(171)	(183)	(81)	(126)	(139)	(168)
Treasury stock	(5,641)	(5,696)	(6,413)	(7,566)	(8,819)	(10,172)
Total shareholders' equity	<u>12,946</u>	<u>15,978</u>	<u>14,620</u>	<u>18,347</u>	<u>17,708</u>	<u>20,482</u>
Total liabilities & shareholders' equity	<u>\$ 116,219</u>	<u>\$ 131,057</u>	<u>\$ 121,268</u>	<u>\$ 119,727</u>	<u>\$ 118,256</u>	<u>\$ 129,819</u>

Quarterly Financial Results
(Dollars 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.	Net Earn.	Oper. Earn. *	Net EPS		Oper. EPS *		Total Assets	Invest. & Cash	Equity Per Share ⁽¹⁾	Unreal. G/L on Sec. Per Share	Equity excl G/L on Sec. Per Share
										Basic	Dil.	Basic	Dil.					
2009 1	4,115	688	4,818	2,811	1,136	3,947	871	569	568	1.22	1.22	1.22	1.22	71,815	61,729	11.12	(6.39)	17.51
2	3,995	668	4,313	2,723	1,117	3,840	473	314	562	.67	.67	1.20	1.20	76,041	65,572	13.58	(4.55)	18.13
3	4,165	692	4,526	2,817	1,160	3,977	549	363	589	.78	.77	1.26	1.25	82,616	71,625	16.85	(2.38)	19.23
4	4,347	717	4,597	2,956	1,298	4,254	343	251	558	.54	.53	1.19	1.18	84,106	73,192	17.96	(1.37)	19.33
2010 1	4,348	726	5,065	2,857	1,238	4,095	970	634	664	1.35	1.34	1.41	1.40	84,473	73,998	18.17	(.46)	18.63
2	4,333	727	4,980	2,885	1,215	4,099	881	576	634	1.23	1.22	1.36	1.34	90,501	79,532	20.29	.29	20.00
3	4,607	765	5,394	3,102	1,245	4,347	1,046	684	678	1.46	1.44	1.44	1.44	97,067	85,585	22.57	1.26	21.31
4	4,785	789	5,294	3,263	1,368	4,631	664	434	626	.92	.92	1.34	1.32	100,243	88,230	22.44	.14	22.30
2011 1	4,872	794	5,117	3,222	1,304	4,526	591	389	765	.83	.83	1.64	1.62	100,336	88,441	22.48	(.04)	22.52
2	4,956	784	5,088	3,310	1,334	4,644	444	274	727	.59	.58	1.56	1.55	105,398	92,984	24.52	1.62	22.90
3	5,210	843	5,987	3,517	1,378	4,895	1,092	736	770	1.58	1.57	1.65	1.65	113,838	100,808	26.05	1.52	24.53
4	5,324	858	5,979	3,700	1,457	5,157	822	538	684	1.16	1.15	1.47	1.45	116,219	103,462	27.76	2.47	25.29
2012 1	5,378	882	6,240	3,646	1,392	5,038	1,202	785	814	1.68	1.68	1.75	1.74	115,529	103,104	29.19	3.10	26.09
2	5,467	845	5,902	3,763	1,398	5,161	741	483	755	1.04	1.03	1.62	1.61	122,187	109,255	30.29	3.15	27.14
3	5,660	869	6,847	3,932	1,435	5,367	1,480	1,017	831	2.17	2.16	1.78	1.77	137,804	124,215	34.10	4.83	29.27
4	5,643	876	6,375	3,989	1,506	5,495	880	581	697	1.24	1.24	1.49	1.48	131,057	118,219	34.16	5.48	28.67
2013 1	5,184	833	6,208	3,521	1,326	4,847	1,361	892	790	1.91	1.90	1.69	1.69	120,500	107,400	33.34	4.23	29.10
2	5,013	813	6,044	3,411	1,275	4,686	1,358	889	759	1.91	1.90	1.63	1.62	116,273	103,936	29.46	(.45)	29.91
3	5,028	821	5,886	3,485	1,332	4,817	1,069	702	687	1.51	1.50	1.48	1.47	119,878	106,712	31.47	.29	31.19
4	4,910	826	5,801	3,396	1,377	4,773	1,028	675	651	1.46	1.45	1.41	1.40	121,268	108,459	31.82	2.23	29.59
2014 1	4,854	827	5,640	3,220	1,316	4,536	1,104	732	774	1.61	1.60	1.70	1.69	123,255	110,493	34.53	4.25	30.27
2	4,888	843	5,838	3,293	1,307	4,600	1,238	810	757	1.79	1.78	1.67	1.66	127,835	114,734	38.76	6.41	32.35
3	4,841	841	5,736	3,355	1,307	4,662	1,074	706	685	1.56	1.56	1.52	1.51	127,218	114,691	39.63	7.51	32.12
4	4,489	808	5,514	3,069	1,370	4,439	1,075	703	581	1.57	1.57	1.30	1.29	119,727	107,341	41.47	10.50	30.96
2015 1	4,432	782	5,226	2,952	1,261	4,213	1,013	663	678	1.52	1.51	1.55	1.54	121,355	108,711	42.97	11.52	31.44
2	4,364	777	5,287	2,937	1,476	4,413	874	573	651	1.33	1.32	1.51	1.50	115,539	103,280	39.52	7.80	31.72
3	4,380	784	5,040	2,927	1,249	4,176	864	567	672	1.32	1.32	1.57	1.56	117,414	104,900	40.36	7.45	32.91
4	4,394	792	5,319	2,930	1,279	4,209	1,110	730	668	1.72	1.71	1.57	1.56	118,256	105,897	41.73	6.97	34.76
2016 1	4,602	801	5,451	3,025	1,309	4,334	1,117	731	726	1.75	1.74	1.74	1.73	127,766	114,320	48.22	11.22	37.00
2	4,823	822	5,437	3,254	1,349	4,603	834	548	707	1.33	1.32	1.72	1.71	141,287	125,983	54.98	15.66	39.32
3	5,022	842	5,716	3,378	1,375	4,753	963	629	748	1.54	1.53	1.83	1.82	144,101	128,935	55.84	14.95	40.89
4	4,778	813	5,955	3,262	1,540	4,802	1,153	751	630	1.85	1.84	1.55	1.54	129,819	116,361	50.47	11.78	38.69

* See definition of operating earnings and operating earnings per share on cover page

(1) Equity per share amounts have been adjusted for revised accounting guidance for quantifying financial statement misstatements on January 1, 2006.

Aflac Group Insurance included starting 4th quarter 2009

Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs.

Beginning in 2011, historical amounts have been adjusted for the adoption of new accounting guidance related to debt issuance costs.

Percentage Increases/(Decreases) and Selected Ratios

	Premium Income	Net Investment Income	Total Revenues	Total Benefits & Claims	Operating Expenses	Pretax Earnings	Effective Tax Rate	Net Earnings Per Share	Operating Earnings Per Share ⁽¹⁾	Operating Profit Margins ⁽²⁾		Total Assets	Invested Assets	Equity Per Share ⁽³⁾
										Pretax	After-Tax			
2006	2.7	4.8	1.8	1.4	2.8	1.7	34.5	(49.0)	12.2	15.0	9.9	6.1	6.1	6.6
2007	5.4	7.5	5.3	3.0	8.2	10.4	34.6	12.2	14.7	16.1	10.5	10.0	9.8	6.8
2008	15.2	10.5	7.5	13.1	14.7	(23.4)	34.5	(20.8)	22.0	16.7	10.9	20.6	20.1	(21.3)
2009	11.2	7.3	10.3	7.7	13.8	16.8	33.0	21.8	21.6	17.7	11.7	6.0	6.8	26.3
2010	8.7	8.7	13.6	7.1	(7.5)	(59.2)	34.6	54.2	13.4	18.8	12.3	19.2	20.5	24.9
2011	12.7	9.1	6.9	13.6	8.0	(17.1)	34.3	16.1	14.0	19.0	12.4	16.0	17.3	23.7
2012	8.8	5.9	14.4	11.5	4.8	45.8	33.4	47.9	5.3	18.1	12.0	12.8	14.3	23.0
2013	(9.1)	(5.2)	(5.6)	(9.9)	(7.4)	11.9	34.4	10.6	(6.4)	18.7	12.3	(7.5)	(8.3)	(6.8)
2014	(5.3)	.8	(5.1)	(6.3)	(.2)	(6.7)	34.3	(3.8)	(.3)	18.9	12.4	(1.3)	(1.0)	30.3
2015	(7.9)	(5.6)	(8.2)	(9.2)	(.7)	(14.0)	34.4	(10.0)	—	19.6	12.8	(1.2)	(1.3)	.6
2016	9.4	4.6	8.1	10.0	5.8	5.3	34.6	9.7	10.2	19.1	12.5	9.8	9.9	21.0
2013 1	(3.6)	(5.6)	(.5)	(3.4)	(4.8)	13.3	34.5	13.1	(2.9)	19.9	13.1	4.3	4.2	14.2
2	(8.3)	(3.8)	2.4	(9.4)	(8.7)	83.3	34.5	84.5	.6	19.8	13.0	(4.8)	(4.9)	(2.7)
3	(11.2)	(5.6)	(14.0)	(11.4)	(7.2)	(27.8)	34.3	(30.6)	(16.9)	17.8	11.7	(13.0)	(14.1)	(7.7)
4	(13.0)	(5.7)	(9.0)	(14.9)	(8.6)	16.9	34.4	16.9	(5.4)	17.2	11.3	(7.5)	(8.3)	(6.8)
2014 1	(6.4)	(.7)	(9.1)	(8.6)	(.7)	(18.9)	33.7	(15.8)	—	20.5	13.6	2.3	2.9	3.6
2	(2.5)	3.8	(3.4)	(3.4)	2.3	(8.8)	34.5	(6.3)	2.5	20.1	13.2	9.9	10.4	31.6
3	(3.7)	2.4	(2.5)	(3.7)	(1.9)	.6	34.3	4.0	2.7	18.3	12.0	6.1	7.5	25.9
4	(8.6)	(2.2)	(4.9)	(9.6)	(.4)	4.4	34.6	8.3	(7.9)	16.6	10.9	(1.3)	(1.0)	30.3
2015 1	(8.7)	(5.4)	(7.3)	(8.3)	(4.2)	(8.3)	34.5	(5.6)	(8.9)	19.7	12.9	(1.5)	(1.6)	24.4
2	(10.7)	(8.0)	(9.4)	(10.8)	13.0	(29.4)	34.5	(25.8)	(9.6)	19.2	12.6	(9.6)	(10.0)	2.0
3	(9.5)	(6.7)	(12.1)	(12.8)	(4.5)	(19.5)	34.5	(15.4)	3.3	19.8	13.0	(7.7)	(8.5)	1.8
4	(2.1)	(2.0)	(3.5)	(4.5)	(6.8)	3.4	34.2	8.9	20.9	19.5	12.8	(1.2)	(1.3)	.6
2016 1	3.8	2.4	4.3	2.5	3.7	10.4	34.6	15.2	12.3	20.5	13.4	5.3	5.2	12.2
2	10.5	5.9	2.8	10.8	(8.5)	(4.7)	34.3	—	14.0	19.1	12.5	22.3	22.0	39.1
3	14.6	7.3	13.4	15.4	10.2	11.2	34.7	15.9	16.7	19.5	12.7	22.7	22.9	38.4
4	8.7	2.7	12.0	11.4	20.3	4.0	34.9	7.6	(1.3)	17.2	11.2	9.8	9.9	21.0

(1) Diluted basis, see definition of operating earnings on cover page.

(2) See definition of operating profit margin on cover page

(3) Equity per share amounts have been adjusted for revised accounting guidance for quantifying financial statement misstatements on January 1, 2006.

Aflac Group Insurance included starting 4th quarter 2009

Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs.

Currency Impact on Operating Earnings Per Share⁽¹⁾
(Diluted Basis)

		Operating EPS ⁽¹⁾	Growth	QTD For. Curr Impact ⁽²⁾	YTD For. Curr Impact ⁽²⁾	Excl. For. Curr Impact ⁽²⁾	Grwth Excl. For. Curr Impact			Operating EPS ⁽¹⁾	Growth	QTD For. Curr Impact ⁽²⁾	YTD For. Curr Impact ⁽²⁾	Excl. For. Curr Impact ⁽²⁾	Grwth Excl. For. Curr Impact
2009	1	\$ 1.22	24.5 %	.09	.09	\$ 1.13	15.3 %	2013	1	\$ 1.69	(2.9) %	(.15)	(.15)	\$ 1.84	5.7 %
	2	1.20	18.8	.05	.14	1.15	13.9		2	1.62	0.6	(.22)	(.37)	1.84	14.3
	3	1.25	22.5	.09	.23	1.16	13.7		3	1.47	(16.9)	(.21)	(.58)	1.68	(5.1)
	4	1.18	20.4	.03	.26	1.15	17.3		4	1.40	(5.4)	(.18)	(.76)	1.58	6.8
		<u>\$ 4.85</u>	<u>21.6 %</u>			<u>\$ 4.59</u>	<u>15.0 %</u>			<u>\$ 6.18</u>	<u>(6.4) %</u>			<u>\$ 6.94</u>	<u>5.2 %</u>
2010	1	\$ 1.40	14.8 %	.05	.05	\$ 1.35	10.7 %	2014	1	\$ 1.69	– %	(.10)	(.10)	\$ 1.79	5.9 %
	2	1.34	11.7	.02	.07	1.32	10.0		2	1.66	2.5	(.03)	(.13)	1.69	4.3
	3	1.44	15.2	.07	.14	1.37	9.6		3	1.51	2.7	(.04)	(.18)	1.55	5.4
	4	1.32	11.9	.05	.19	1.27	7.6		4	1.29	(7.9)	(.08)	(.26)	1.37	(2.1)
		<u>\$ 5.50</u>	<u>13.4 %</u>			<u>\$ 5.31</u>	<u>9.5 %</u>			<u>\$ 6.16</u>	<u>(0.3) %</u>			<u>\$ 6.42</u>	<u>3.9 %</u>
2011	1	\$ 1.62	15.7 %	.10	.10	\$ 1.52	8.6 %	2015	1	\$ 1.54	(8.9) %	(.13)	(.13)	\$ 1.67	(1.2) %
	2	1.55	15.7	.11	.21	1.44	7.5		2	1.50	(9.6)	(.14)	(.27)	1.64	(1.2)
	3	1.65	15.4	.10	.31	1.55	8.4		3	1.56	3.3	(.13)	(.40)	1.69	11.9
	4	1.45	9.8	.05	.36	1.40	6.1		4	1.56	20.9	(.05)	(.46)	1.61	24.8
		<u>\$ 6.27</u>	<u>14.0 %</u>			<u>\$ 5.91</u>	<u>7.5 %</u>			<u>\$ 6.16</u>	<u>– %</u>			<u>\$ 6.62</u>	<u>7.5 %</u>
2012	1	\$ 1.74	7.4 %	.04	.04	\$ 1.70	4.9 %	2016	1	\$ 1.73	12.3 %	.03	.03	\$ 1.70	10.4 %
	2	1.61	3.9	.01	.06	1.60	3.2		2	1.71	14.0	.09	.12	1.62	8.0
	3	1.77	7.3	–	.06	1.77	7.3		3	1.82	16.7	.15	.26	1.67	7.1
	4	1.48	2.1	(.04)	.01	1.52	4.8		4	1.54	(1.3)	.08	.34	1.46	(6.4)
		<u>\$ 6.60</u>	<u>5.3 %</u>			<u>\$ 6.59</u>	<u>5.1 %</u>			<u>\$ 6.79</u>	<u>10.2 %</u>			<u>\$ 6.45</u>	<u>4.7 %</u>

(1) See definition of operating earnings per share from cover page.

(2) See definition of foreign currency impact from cover page.

Aflac Group Insurance included starting 4th quarter 2009

Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs.

Addition of quarters may not equal annual amounts due to rounding.

Composition of Invested Assets
(In Millions)

	December 31,					
	2011	2012	2013	2014	2015	2016
Debt Securities⁽¹⁾						
Fixed Maturities, excluding Bank Loans	\$ 92,241	\$ 107,425	\$ 100,425	\$ 92,126	\$ 92,713	\$ 97,695
Fixed Maturities - Bank Loans	124	414	501	501	1,388	2,018
Perpetual Securities	6,897	4,213	2,987	2,440	1,841	1,506
Total Debt Securities	<u>99,262</u>	<u>112,052</u>	<u>103,913</u>	<u>95,067</u>	<u>95,942</u>	<u>101,219</u>
Loan Receivables, net of reserves⁽¹⁾						
Middle Market Loans	-	-	-	-	118	319
Commercial Mortgage Loans	-	-	-	-	-	855
Total Loan Receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118</u>	<u>1,174</u>
Equity Securities⁽¹⁾	22	20	17	19	480	1,203
Alternatives⁽²⁾	-	-	-	-	-	-
Total Portfolio	<u>\$ 99,284</u>	<u>\$ 112,072</u>	<u>\$ 103,930</u>	<u>\$ 95,086</u>	<u>\$ 96,540</u>	<u>\$ 103,596</u>

Unrealized Gains (Losses) on Invested Assets
(In Millions)

	December 31,					
	2011	2012	2013	2014	2015	2016
Debt Securities						
Available For Sale - Gross Gains	\$ 3,675	\$ 4,712	\$ 3,654	\$ 8,127	\$ 6,605	\$ 8,608
Available For Sale - Gross Losses	(1,917)	(783)	(2,135)	(710)	(1,792)	(1,084)
Total Available For Sale	<u>1,758</u>	<u>3,929</u>	<u>1,519</u>	<u>7,417</u>	<u>4,813</u>	<u>7,524</u>
Held to Maturity - Gross Gains	992	1,213	2,041	4,379	4,278	6,735
Held to Maturity - Gross Losses	(1,618)	(798)	(610)	(124)	(217)	(64)
Total Held to Maturity	<u>(626)</u>	<u>415</u>	<u>1,431</u>	<u>4,255</u>	<u>4,061</u>	<u>6,671</u>
Loan Receivables						
Gross Gains	-	-	-	-	-	1
Gross Losses	-	-	-	-	-	(33)
Total Loan Receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32)</u>
Equity Securities						
Gross Gains	4	4	5	9	22	114
Gross Losses	(1)	(1)	(1)	-	(4)	(8)
Total Equities	<u>3</u>	<u>3</u>	<u>4</u>	<u>9</u>	<u>18</u>	<u>106</u>

(1) Presented at amortized cost

(2) Presented at fair value; includes asset classes such as private equity and real estate managed by Global Investments; excludes Corporate driven activity

Supplemental Investment Data by Segment

	December 31,						3 Months Ended December 31,	
	2011	2012	2013	2014	2015	2016	2015	2016
Aflac Japan:								
Invested assets (in millions) ⁽¹⁾	¥ 7,180,568	¥ 8,870,864	¥ 9,986,250	¥ 10,240,112	¥ 10,259,013	¥ 10,711,399	¥ 10,259,013	¥ 10,711,399
Return on average invested assets ⁽²⁾	3.18 %	2.89 %	2.86 %	2.80 %	2.90 %	2.68 %	2.92 %	2.61 %
Portfolio book yield at end of period ⁽³⁾	3.29 %	2.87 %	2.80 %	2.83 %	2.80 %	2.62 %	2.80 %	2.62 %
Total purchases for period (in millions) ⁽³⁾	¥ 2,014,409	¥ 2,248,632	¥ 2,002,324	¥ 1,037,534	¥ 637,967	¥ 1,198,579	¥ 320,400	¥ 638,060
New money yield ⁽³⁾⁽⁴⁾	2.34 %	2.25 %	2.11 %	2.07 %	2.89 %	1.40 %	2.04 %	0.88 %
Aflac U.S.:								
Invested assets (in millions) ⁽¹⁾	\$ 9,035	\$ 10,629	\$ 11,564	\$ 12,660	\$ 13,661	\$ 14,124	\$ 13,661	\$ 14,124
Return on average invested assets ⁽²⁾	6.41 %	6.25 %	5.70 %	5.46 %	5.19 %	5.04 %	5.01 %	5.03 %
Portfolio book yield at end of period ⁽³⁾	6.72 %	6.28 %	6.01 %	5.89 %	5.77 %	5.60 %	5.77 %	5.60 %
Total purchases for period (in millions) ⁽³⁾	\$ 1,462	\$ 1,511	\$ 1,038	\$ 963	\$ 904	\$ 1,144	\$ 143	\$ 301
New money yield ⁽³⁾⁽⁴⁾	5.74 %	4.17 %	4.06 %	4.32 %	4.45 %	3.89 %	4.86 %	3.79 %

Hedge Cost Metrics ⁽⁵⁾

	December 31,						3 Months Ended December 31,	
	2011	2012	2013	2014	2015	2016	2015	2016
FX forward notional at end of period (in USD billions) ⁽⁶⁾	-	6.9	11.2	14.5	13.1	11.8	13.1	11.8
Weighted average tenor (in months) ⁽⁷⁾	-	3.8	3.3	9.0	8.8	20.6	8.8	20.6
Annualized hedge costs (in basis points) ⁽⁸⁾		16	27	27	53	149	80	179
Amortized hedge costs for period (in millions)	\$ -	\$ (5)	\$ (24)	\$ (35)	\$ (72)	\$ (186)	\$ (26)	\$ (62)

Credit Ratings on Fixed Maturities and Perpetual Securities

(At Amortized Cost)

	December 31,					
	2011	2012	2013	2014	2015	2016
AAA	1.8 %	1.5 %	1.4 %	1.3 %	1.3 %	2.0 %
AA	39.1	46.2	46.7	5.7	5.7	5.0
A	29.7	22.8	23.4	64.1	61.0	63.1
BBB	23.6	24.8	24.4	25.0	26.9	24.6
BB or Lower	5.8	4.7	4.1	3.9	5.1	5.3
	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

(1) Invested assets, including cash and short term investments, are stated at amortized cost; except for equities, which are at fair value.

(2) Net of investment expenses, year-to-date number reflected on a quarterly average basis

(3) Includes fixed maturities and perpetual securities, loan receivables, and equities

(4) Reported on a gross yield basis; excludes investment expenses, external management fees, and hedge costs

(5) Hedge costs (a non-U.S. GAAP measure) represent costs incurred in using foreign currency forward contracts to hedge the foreign exchange risk of our U.S. dollar-denominated assets in our Japan segment investment portfolio. These hedge costs are derived from the difference between the foreign currency spot rate at time of trade inception and the contractual foreign currency forward rate.

(6) Notional is reported net of any offsetting positions

(7) Tenor based on original execution date to settlement date

(8) Based on annualized amortized hedge costs divided by average FX forward notional for the period

Top 15 Global Investment Positions
(In Millions)

December 31, 2016

No	Consolidated Corporate/Sovereign Exposure	December 31, 2016		December 31, 2016		Seniority	Ratings		
		Consolidated Book Value	% of Total Debt & Perpetual Securities	Consolidated Book Value	% of Total Debt & Perpetual Securities		Moody's	S&P	Fitch
1	Japan National Government ⁽¹⁾	\$ 42,931	42.41 %	\$ 42,931	42.41 %	Senior	A1	A+	A
2	Japan Housing Finance Agency	933	.92	933	.92	Senior	-	AAA	-
3	Republic of South Africa	515	.51	515	.51	Senior	Baa2	BBB	BBB
4	Bank of America NA Bank of America Corp. Bank of America Corp.	386	.38	215 171	.21 .17	Senior Lower Tier II	Baa1 Baa3	BBB BBB	A A
5	Bank of Tokyo-Mitsubishi UFJ Ltd. BTMU Curacao Holdings NV	386	.38	386	.38	Lower Tier II	A2	-	A
6	Investcorp SA Investcorp Capital Limited Investcorp Capital Limited	368	.36	318 50	.31 .05	Senior Senior	Ba2 Ba2	- -	BB -
7	JP Morgan Chase & Co. JPMorgan Chase & Co. (including Bear Stearns Companies Inc.) JPMorgan Chase & Co. (Bank One Corp.) JPMorgan Chase & Co. (NBD Bank) JPMorgan Chase & Co. (FNBC)	336	.33	302 17 11 6	.30 .02 .01 .00	Senior Lower Tier II Lower Tier II Senior	A3 Baa1 A1 Aa1	A BBB+ A- A+	A+ A A -
8	Banobras	318	.31	318	.31	Senior	A3	BBB	BBB
9	Sultanate of Oman	300	.30	300	.30	Senior	Baa1	BBB	-
10	Nordea Bank AB Nordea Bank AB Nordea Bank Finland	289	.29	221 68	.22 .07	Tier I Upper Tier II	Baa3 Baa2	BBB -	- -
11	Petroleos Mexicanos (Pemex) Pemex Proj FDG Master TR Pemex Finance Ltd.	283	.28	258 25	.25 .03	Senior Senior	Baa3 Baa3	BBB A	BBB A+
12	AXA AXA-UAP AXA	282	.28	231 51	.23 .05	Upper Tier II CC FNB	A3 A3	BBB BBB+	BBB BBB+
13	Deutsche Telekom AG Deutsche Telekom AG Deutsche Telekom International Finance	279	.28	258 21	.26 .02	Senior Senior	Baa1 Baa1	BBB BBB+	BBB BBB+
14	CFE	275	.27	275	.27	Senior	Baa1	BBB	BBB
15	Barclays Bank PLC Barclays Bank PLC Barclays Bank PLC Barclays Bank PLC Barclays Bank PLC	271	.27	119 106 39 7	.12 .10 .04 .01	Lower Tier II Upper Tier II Tier I Tier I	Baa3 Ba1 Ba2 Ba2	BBB BB BB BB	A BBB BB+ BB
	Subtotal	\$ 48,152	47.57 %	\$ 48,152	47.57 %				
	Total debt and perpetual securities	\$ 101,219	100.00 %	\$ 101,219	100.00 %				

(1) Japan Government Bonds (JGBs) or JGB-backed securities

Below-Investment-Grade Holdings

(In Millions)

	December 31, 2015				December 31, 2016			
	Par Value	Amortized Cost	Fair Value	Unrealized gains (losses)	Par Value	Amortized Cost	Fair Value	Unrealized gains (losses)
Investcorp Capital Limited	357	\$ 357	\$ 324	\$ (33)	\$ 368	\$ 368	\$ 346	\$ (22)
Republic of Tunisia	307	185	243	58	318	191	264	73
Navient Corp.	279	148	155	7	287	152	197	45
KLM Royal Dutch Airlines ⁽¹⁾	249	183	205	22	257	189	213	24
Barclays Bank PLC ⁽¹⁾	230	148	228	80	236	152	221	69
Deutsche Postbank AG	199	199	175	(24)	206	206	179	(27)
UPM-Kymmene	257	257	252	(5)	180	178	188	10
Telecom Italia SpA	166	166	214	48	172	172	212	40
Generalitat de Catalunya	149	55	126	71	154	57	111	54
Diamond Offshore Drilling Inc.	*	*	*	*	124	141	96	(45)
IKB Deutsche Industriebank AG	108	46	79	33	112	47	91	44
Alcoa, Inc.	100	77	81	4	100	80	97	17
Noble Holdings International Ltd.	*	*	*	-	95	98	68	(30)
Petrobras International Finance Company	91	88	64	(24)	91	90	83	(7)
EMC Corp.	*	*	*	*	85	86	76	(10)
Cenovus Energy Inc.	*	*	*	*	75	78	71	(7)
Teck Resources Ltd.	70	69	32	(37)	70	73	66	(7)
Transocean Inc.	68	71	38	(33)	68	72	57	(15)
CF Industries Inc.	*	*	*	*	60	59	54	(5)
Votorantim Overseas Trading IV Ltd.	*	*	*	*	50	49	54	5
Weatherford Bermuda	94	92	70	(22)	49	49	39	(10)
Eskom Holdings Limited	50	50	43	(7)	35	35	35	-
Commerzbank AG (includes Dresdner Bank)	332	213	321	108	*	*	*	*
DEPFA Bank PLC	166	166	166	-	-	-	-	-
Societe Generale ⁽¹⁾	83	61	73	12	-	-	-	-
Other Issuers (below \$50 million in par value) ⁽²⁾	333	306	277	(29)	249	237	235	(2)
Subtotal⁽³⁾	\$ 3,688	\$ 2,937	\$ 3,166	\$ 229	\$ 3,441	\$ 2,859	\$ 3,053	\$ 194
Senior secured bank loans ⁽⁴⁾	\$ 1,400	\$ 1,327	\$ 1,362	\$ 35	\$ 1,758	\$ 1,852	\$ 1,761	\$ (91)
High yield corporate bonds ⁽⁵⁾	\$ 609	\$ 621	\$ 581	\$ (40)	\$ 614	\$ 602	\$ 624	\$ 22
Grand Total	\$ 5,697	\$ 4,885	\$ 5,109	\$ 224	\$ 5,813	\$ 5,313	\$ 5,438	\$ 125

* Investment grade at respective reporting date

(1) Includes perpetual security

(2) Includes 13 issuers in 2016 and 15 issuers in 2015

(3) Securities initially purchased as investment grade, but have subsequently been downgraded to below investment grade

(4) Includes 197 issuers in 2016 and 201 issuers in 2015; all issuers below \$40M in Par Value

(5) Includes 62 issuers in 2016 and 57 issuers in 2015; all issuers below \$25M in Par Value

Long-Term Debt Data

Adjusted Leverage Ratios

(In Millions)

December 31,

	2011	2012	2013	2014	2015	2016
Adjusted debt ⁽¹⁾	\$ 3,267	\$ 4,065	\$ 4,284	\$ 4,992	\$ 4,721	\$ 4,460
Adjusted capitalization ⁽²⁾	15,061	17,478	17,879	18,693	19,143	20,161
Adjusted debt to adjusted capitalization	21.7 %	23.3 %	24.0 %	26.7 %	24.7 %	22.1 %
Revised adjusted capitalization ⁽³⁾	\$ 14,248	\$ 17,578	\$ 19,717	\$ 21,610	\$ 22,054	\$ 22,562
Adjusted debt to revised adjusted capitalization	22.9 %	23.1 %	21.7 %	23.1 %	21.4 %	19.8 %

Debt Maturities⁽⁴⁾

(In Millions)

December 31, 2016

	1 yr or less	> 1 yr <5 yrs	>5 yrs <10 yrs	>10 yrs <20 yrs	20 yrs & beyond	Total
Senior Notes	\$ 650	\$ 593	\$ 2,765	\$ -	\$ 881	\$ 4,889
Subordinated debt	-	-	-	-	500	500
	\$ 650	\$ 593	\$ 2,765	\$ -	\$ 1,381	\$ 5,389

Ratings

December 31, 2016

	Financial Strength				Long-Term Senior Debt			
	S&P	Moody's	AM Best	R&I	S&P	Moody's	AM Best	R&I
2014	AA-	Aa3	A+	AA-	A	A3	a-	A
2015	A+	Aa3	A+	AA-	A-	A3	a-	A
2016	A+	Aa3	A+	AA-	A-	A3	a-	A

(1) The debt amount is the sum of the gross notes payable. Beginning in 3rd quarter of 2012, the debt has been adjusted for 50% of our subordinated debentures.

The debt was also adjusted between 2nd quarter of 2013 and 2nd quarter of 2014 for the portion of senior notes designated as pre-funding of 2014 maturities.

(2) Adjusted capitalization is the sum of the adjusted debt plus shareholders' equity, excluding the unrealized gains and losses on investment securities and derivatives

(3) Revised adjusted capitalization is the sum of debt, excluding pre-funding amounts, plus shareholders' equity excluding AOCI

(4) Debt maturity amounts do not include discounts, premiums, deferred charges or capital lease obligations.

Statements of Pre-Tax Operating Earnings
(Before Management Fee)
(In Millions)

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2011	2012	2013	2014	2015	2015	2016	%	2015	2016	%
Revenues:											
Net premiums											
Gross premiums	\$ 4,733	\$ 4,990	\$ 5,146	\$ 5,206	\$ 5,342	\$ 1,330	\$ 1,360	2.2	\$ 5,342	\$ 5,452	2.1
Assumed (ceded)	10	6	7	5	5	1	1	—	5	2	(70.4)
Total net premiums	4,743	4,996	5,153	5,211	5,347	1,331	1,361	2.2	5,347	5,454	2.0
Net investment income	588	613	632	645	678	171	177	4.0	678	703	3.8
Other income excl. realized foreign exchange gains (losses)	10	19	6	3	8	2	5		8	10	
 Total operating revenues	<u>5,341</u>	<u>5,628</u>	<u>5,791</u>	<u>5,859</u>	<u>6,033</u>	<u>1,504</u>	<u>1,543</u>	2.6	<u>6,033</u>	<u>6,167</u>	2.2
Benefits and expenses:											
Benefits and claims, net											
Incurred claims -direct	2,308	2,388	2,468	2,477	2,514	634	634	.1	2,514	2,515	—
Incurred claims -assumed (ceded)	—	(2)	(2)	1	—	—	1	537.5	—	(1)	(252.5)
Increase in FPB -direct	405	448	423	373	359	78	87	11.2	358	355	(1.0)
Increase in FPB -assumed (ceded)	—	—	—	2	—	—	—	—	—	—	—
Total net benefits and claims	2,713	2,834	2,889	2,853	2,873	712	722	1.2	2,872	2,869	(.1)
Amortization of deferred policy acquisition costs	383	400	433	459	488	133	124	(7.0)	488	497	1.9
General operating expenses	1,341	1,397	1,431	1,474	1,571	422	434	3.6	1,572	1,593	1.5
 Total benefits and expenses	<u>4,437</u>	<u>4,631</u>	<u>4,753</u>	<u>4,786</u>	<u>4,932</u>	<u>1,267</u>	<u>1,280</u>	1.2	<u>4,932</u>	<u>4,959</u>	.6
 Pretax operating earnings	<u>\$ 904</u>	<u>\$ 997</u>	<u>\$ 1,038</u>	<u>\$ 1,073</u>	<u>\$ 1,101</u>	<u>\$ 237</u>	<u>\$ 263</u>	10.4	<u>\$ 1,101</u>	<u>\$ 1,208</u>	9.7

Balance Sheets
(In Millions)

	December 31,					
	2011	2012	2013	2014	2015	2016
Assets:						
Investments and cash	\$ 10,450	\$ 12,420	\$ 12,221	\$ 14,311	\$ 14,340	\$ 15,223
Receivables, principally premiums, net	394	428	466	517	545	457
Accrued investment income	162	170	171	176	184	187
Deferred policy acquisition costs	2,687	2,857	2,979	3,062	3,142	3,228
Other assets	249	247	275	317	326	358
Total assets	\$ 13,942	\$ 16,122	\$ 16,112	\$ 18,383	\$ 18,537	\$ 19,453
Liabilities and Shareholders' Equity:						
Future policy benefits	\$ 6,483	\$ 6,931	\$ 7,354	\$ 7,728	\$ 8,087	\$ 8,442
Policy and contract claims	1,195	1,278	1,421	1,511	1,609	1,652
Unearned premium	128	125	122	117	118	118
Other policyholder funds	200	200	201	-	-	-
Deferred income taxes	914	1,238	617	954	304	721
Other liabilities	879	983	1,083	1,353	1,453	1,471
Shareholders' equity	4,143	5,367	5,314	6,720	6,966	7,049
Total liabilities & shareholders' equity	\$ 13,942	\$ 16,122	\$ 16,112	\$ 18,383	\$ 18,537	\$ 19,453

Quarterly Statements of Pre-Tax Operating Earnings and Percentage Changes

(Restated to conform to current classifications)

(Dollars In Millions)

		Earned	%	Net	%	Total	%	Total	%	Amort.	%	General	%	Total	%	Pre-tax	%
		Prem.	Change	Invest.	Change	Operating	Change	Ben.	Change		Change	Oper.	Change	Oper.	Change	Oper.	Change
				Income		Revenues						Exp.		Exp.		Earn.	
2009	1	1,103	5.0	125	1.4	1,230	4.7	609	(1.1)	126	32.8	291	6.1	417	13.0	204	7.2
	2	1,094	2.8	127	1.8	1,223	2.7	631	.4	104	21.9	290	1.1	394	5.8	198	4.0
	3	1,110	3.0	123	(4.4)	1,236	2.2	642	.8	93	5.4	285	1.9	378	2.7	216	5.7
	4	1,136	5.2	124	(3.1)	1,264	4.3	680	5.3	96	(6.0)	330	8.7	426	5.0	158	(1.5)
2010	1	1,142	3.5	132	5.6	1,276	3.7	580	(4.7)	125	(1.3)	325	12.1	450	8.0	245	20.0
	2	1,147	4.9	135	6.1	1,285	5.1	655	3.8	82	(20.5)	323	10.8	405	2.6	225	13.9
	3	1,150	3.6	138	11.9	1,290	4.4	668	4.1	89	(4.6)	307	7.6	396	4.6	226	4.8
	4	1,148	1.0	144	16.1	1,295	2.5	649	(4.5)	100	3.8	320	(3.0)	420	(1.5)	226	42.9
2011	1	1,169	2.5	144	8.8	1,316	3.1	642	10.6	107	(14.1)	316	(3.1)	423	(6.1)	251	2.4
	2	1,186	3.4	148	9.7	1,337	4.0	676	3.2	89	8.0	329	2.0	418	3.2	243	7.8
	3	1,192	3.7	147	7.1	1,342	4.0	704	5.4	91	2.6	333	8.2	424	6.9	214	(5.2)
	4	1,195	4.1	149	3.4	1,347	4.0	690	6.3	96	(3.3)	365	13.9	461	9.8	196	(13.1)
2012	1	1,231	5.2	152	5.5	1,385	5.2	678	5.6	110	2.3	326	3.1	436	2.9	271	8.1
	2	1,251	5.5	153	3.6	1,406	5.2	719	6.3	92	3.6	337	2.6	429	2.9	258	6.3
	3	1,254	5.2	153	3.5	1,412	5.2	712	1.1	101	10.8	339	1.9	440	3.8	260	21.5
	4	1,261	5.5	156	4.4	1,425	5.8	724	4.9	98	1.7	395	8.4	493	7.0	208	5.9
2013	1	1,280	4.0	157	3.4	1,438	3.9	691	1.8	120	9.5	346	6.5	466	7.3	281	3.6
	2	1,295	3.5	158	3.1	1,454	3.4	714	(.7)	98	6.4	359	6.4	457	6.4	283	9.9
	3	1,293	3.1	159	4.2	1,453	2.9	724	1.6	103	2.1	357	5.6	460	4.8	269	3.3
	4	1,285	2.0	159	2.0	1,446	1.4	761	5.2	112	14.5	368	(7.1)	480	(2.8)	205	(1.3)
2014	1	1,294	1.1	161	2.5	1,455	1.2	686	(.7)	130	8.4	336	(3.1)	466	(.1)	303	7.9
	2	1,311	1.2	161	2.5	1,473	1.3	708	(.8)	108	9.6	357	(.4)	465	1.7	300	5.7
	3	1,306	1.1	162	1.6	1,468	1.0	722	(.3)	112	9.3	365	1.7	477	3.4	269	.3
	4	1,301	1.2	161	1.8	1,463	1.2	737	(3.2)	109	(2.5)	416	13.5	525	9.8	201	(2.2)
2015	1	1,339	3.5	166	3.3	1,508	3.6	710	3.6	128	(1.5)	385	14.5	513	10.0	285	(6.1)
	2	1,331	1.6	168	4.0	1,501	1.9	715	1.0	113	4.8	380	6.0	493	5.7	293	(2.0)
	3	1,346	3.0	173	7.2	1,520	3.6	735	1.9	114	1.6	385	5.7	499	4.7	286	6.2
	4	1,331	2.3	171	5.6	1,504	2.7	712	(3.4)	133	22.2	422	1.1	555	5.5	237	18.3
2016	1	1,367	2.1	174	5.1	1,544	2.3	690	(2.9)	141	9.8	381	(1.0)	522	1.7	332	16.6
	2	1,362	2.2	176	4.4	1,538	2.5	743	3.8	117	3.9	387	1.9	504	2.4	291	(.3)
	3	1,365	1.4	176	1.7	1,542	1.4	715	(2.7)	116	1.2	388	1.2	504	1.2	323	12.4
	4	1,361	2.2	177	4.0	1,543	2.6	722	1.2	124	(7.0)	434	3.6	558	1.1	263	10.4

Aflac Group Insurance included starting 4th quarter 2009

Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs.

Addition of quarters may not equal annual amounts due to rounding

Operating Ratios
(Before Management Fee)

	<u>Period</u>	<u>Premium Persistency Rate *</u>	<u>Incurred Claims/ Total Rev.</u>	<u>Incurred Claims/ Premium</u>	<u>Tot. Ben./ Total Revenues</u>	<u>Tot. Ben./ Premium</u>	<u>Amort./ Premium</u>	<u>Tot. Oper. Expenses/ Total Rev.</u>	<u>Combined Ratio/ Total Rev.</u>	<u>Pretax Profit Margin⁽¹⁾</u>
	2006	73.9	38.7	43.8	53.9	61.0	8.2	31.6	85.5	14.5
	2007	73.9	40.1	45.3	52.9	59.7	8.2	31.5	84.4	15.6
	2008	73.2	42.7	47.8	52.8	59.1	8.7	31.6	84.4	15.6
	2009	72.2	44.9	50.1	51.7	57.7	9.4	32.6	84.3	15.7
	2010	74.4	44.1	49.5	49.6	55.7	8.6	32.5	82.1	17.9
	2011	76.5	43.2	48.7	50.8	57.2	8.1	32.3	83.1	16.9
	2012	76.9	42.4	47.8	50.3	56.7	8.0	32.0	82.3	17.7
	2013	76.3	42.6	47.9	49.9	56.1	8.4	32.2	82.1	17.9
	2014	76.5	42.3	47.6	48.7	54.7	8.8	33.0	81.7	18.3
	2015	76.5	41.7	47.0	47.6	53.7	9.1	34.1	81.7	18.3
	2016	77.4	40.8	46.1	46.5	52.6	9.1	33.9	80.4	19.6
2013	1	76.6	42.3	47.6	48.0	54.0	9.4	32.5	80.5	19.5
	2	76.4	41.1	46.2	49.1	55.1	7.6	31.4	80.5	19.5
	3	76.2	42.4	47.6	49.8	56.0	7.9	31.7	81.5	18.5
	4	76.3	44.5	50.1	52.7	59.2	8.7	33.1	85.8	14.2
2014	1	76.3	42.1	47.3	47.1	53.0	10.1	32.1	79.2	20.8
	2	76.4	41.5	46.7	48.1	54.1	8.2	31.6	79.7	20.3
	3	76.5	42.9	48.2	49.2	55.2	8.6	32.4	81.6	18.4
	4	76.5	42.7	48.0	50.4	56.6	8.4	35.9	86.3	13.7
2015	1	76.7	40.9	46.1	47.1	53.1	9.6	34.0	81.1	18.9
	2	76.6	41.5	46.8	47.7	53.7	8.5	32.8	80.5	19.5
	3	76.8	42.2	47.7	48.4	54.7	8.5	32.8	81.2	18.8
	4	76.5	42.1	47.6	47.3	53.5	10.0	36.9	84.2	15.8
2016	1	76.6	40.1	45.3	44.7	50.5	10.3	33.8	78.5	21.5
	2	76.7	41.8	47.3	48.3	54.6	8.6	32.7	81.0	19.0
	3	76.9	40.0	45.2	46.4	52.4	8.5	32.7	79.1	20.9
	4	77.4	41.1	46.6	46.7	53.0	9.1	36.3	83.0	17.0

(1) See definition of operating profit margin on cover page

Aflac Group Insurance included starting 4th quarter 2009

*Beginning in 2010, premium persistency has been adjusted to a rolling twelve-month calculation and includes Aflac Group Insurance from that point forward.

Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs.

Aflac U.S. Sales Results
(Dollars 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>
	2006	4,101	10.5	1,395	13.0	28	1,423	13.1
	2007	4,510	10.0	1,522	9.1	36	1,558	9.5
	2008	4,789	6.2	1,518	(.2)	33	1,551	(.4)
	2009	4,956	3.5	1,426	(6.1)	27	1,453	(6.4)
	2010	4,973	.3	1,357	(4.9)	25	1,382	(4.9)
	2011	5,188	4.3	1,453	7.1	23	1,476	6.8
	2012	5,451	5.1	1,468	1.0	20	1,488	.8
	2013	5,570	2.2	1,407	(4.2)	17	1,424	(4.3)
	2014	5,668	1.8	1,415	.5	18	1,433	.7
	2015	5,760	1.6	1,460	3.2	27	1,487	3.7
	2016	5,896	2.4	1,454	(.4)	28	1,482	(.3)
2012	1	5,237	5.2	345	5.1	6	351	4.5
	2	5,295	5.1	354	1.6	5	359	1.5
	3	5,324	4.7	331	(1.4)	4	335	(1.5)
	4	5,451	5.1	438	(.6)	6	444	(.7)
2013	1	5,427	3.6	328	(5.0)	4	332	(5.2)
	2	5,484	3.6	359	1.5	5	364	1.4
	3	5,494	3.2	327	(1.4)	3	330	(1.5)
	4	5,570	2.2	393	(10.3)	4	397	(10.4)
2014	1	5,506	1.4	314	(4.5)	4	318	(4.4)
	2	5,537	1.0	331	(8.1)	3	334	(8.2)
	3	5,525	.6	324	(.8)	4	328	(.6)
	4	5,668	1.8	447	13.7	7	454	14.1
2015	1	5,607	1.8	310	(1.2)	6	316	(.5)
	2	5,624	1.6	339	2.6	5	344	3.1
	3	5,627	1.9	324	—	6	330	.4
	4	5,760	1.6	487	9.1	9	497	9.6
2016	1	5,736	2.3	321	3.4	7	328	3.7
	2	5,756	2.4	341	.8	6	347	1.0
	3	5,762	2.4	318	(2.0)	6	324	(1.8)
	4	5,896	2.4	475	(2.6)	8	483	(2.9)

Aflac Group Insurance included starting 4th quarter 2009

Aflac U.S. Product Mix
(New Annualized Premium Sales, Dollars in Millions)

	Income-Loss Protection				Asset-Loss Protection				Supplemental Medical				Other	% of Total
	STD	% of Total	Life	% of Total	Accident	% of Total	Critical Care ⁽¹⁾	% of Total	Hospital Indemnity	% of Total	Dental/Vision	% of Total		
2009	257	17.7	91	6.3	436	30.0	329	22.6	254	17.5	83	5.7	4	.2
2010	236	17.1	83	6.0	421	30.5	320	23.2	246	17.8	76	5.4	1	—
2011	266	18.0	83	5.7	443	30.0	356	24.1	232	15.7	96	6.5	—	—
2012	301	20.3	81	5.4	439	29.5	344	23.1	227	15.3	90	6.1	6	.3
2013	302	21.2	75	5.3	388	27.3	296	20.8	240	16.9	89	6.2	34	2.3
2014	320	22.4	83	5.8	403	28.1	307	21.4	235	16.4	85	5.9	—	—
2015	345	23.2	78	5.2	444	29.9	326	21.9	217	14.6	77	5.2	—	—
2016	348	23.5	76	5.1	437	29.5	327	22.1	219	14.8	75	5.0	—	—
2014 1	69	21.6	20	6.2	89	27.9	67	21.1	53	16.8	20	6.4	—	—
2014 2	75	22.4	21	6.3	93	27.8	68	20.3	55	16.5	22	6.7	—	—
2014 3	76	23.1	20	6.0	95	29.1	66	20.1	50	15.3	21	6.4	—	—
2014 4	101	22.3	22	4.9	126	27.8	107	23.5	76	16.8	22	4.7	—	—
2015 1	75	23.6	19	6.0	92	29.0	67	21.1	46	14.6	18	5.7	—	—
2015 2	84	24.4	19	5.5	102	29.6	72	20.9	48	13.9	19	5.7	—	—
2015 3	81	24.4	18	5.5	100	30.4	67	20.4	45	13.6	19	5.7	—	—
2015 4	105	21.2	22	4.4	150	30.2	120	24.2	79	15.9	21	4.1	—	—
2016 1	77	23.4	18	5.6	98	30.0	70	21.4	46	14.0	19	5.6	—	—
2016 2	81	23.3	19	5.6	104	30.1	74	21.3	50	14.3	19	5.4	—	—
2016 3	81	25.0	18	5.4	97	29.9	65	19.9	46	14.1	17	5.7	—	—
2016 4	109	22.5	20	4.2	138	28.5	119	24.6	78	16.1	19	4.1	—	—

Aflac U.S. Sales Force Data

		Recruited Agents			Average Weekly Producer Equivalents	Productivity (Production/Av. Weekly Producers)
		Career	Broker	Total		
		2007	—	—		
2008	—	—	—	11,232	138,130	
2009	23,126	5,356	28,482	11,145	130,364	
2010	17,891	4,276	22,167	10,410	132,749	
2011	19,882	4,613	24,495	10,427	141,522	
2012	19,757	5,198	24,955	10,197	145,907	
2013	17,410	4,631	22,041	9,577	148,640	
2014	17,935	3,864	21,799	9,340	153,424	
2015	18,649	2,826	21,475	9,252	160,687	
2016	16,167	2,425	18,592	9,061	163,501	
2014 1	4,642	957	5,599	9,024	35,198	
2014 2	4,933	1,118	6,051	9,353	35,670	
2014 3	4,468	1,061	5,529	9,130	35,948	
2014 4	3,892	728	4,620	9,854	46,026	
2015 1	4,692	714	5,406	9,019	35,054	
2015 2	5,059	732	5,791	9,152	37,578	
2015 3	4,760	658	5,418	8,910	37,000	
2015 4	4,138	722	4,860	9,927	50,059	
2016 1	4,044	677	4,721	9,069	36,134	
2016 2	4,371	586	4,957	9,007	38,579	
2016 3	4,175	637	4,812	8,678	37,305	
2016 4	3,573	528	4,101	9,492	50,848	

(1) Includes cancer, critical illness, and hospital intensive care products

Statements of Pre-Tax Operating Earnings⁽¹⁾
 (Before Management Fee)
 (In Millions)

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2011	2012	2013	2014	2015	2015	2016	%	2015	2016	%
							Change				Change
Revenues:											
Net premiums											
Gross premiums	¥ 1,246,992	¥ 1,370,560	¥ 1,471,640	¥ 1,499,689	¥ 1,520,403	¥ 382,451	¥ 382,561	.0	¥ 1,520,403	¥ 1,534,961	1.0
Assumed (ceded)	(1,631)	(2,080)	(10,508)	(36,729)	(62,710)	(16,872)	(16,140)	(4.3)	(62,710)	(65,456)	4.4
Total net premiums	<u>1,245,361</u>	<u>1,368,480</u>	<u>1,461,132</u>	<u>1,462,960</u>	<u>1,457,693</u>	<u>365,579</u>	<u>366,421</u>	.2	<u>1,457,693</u>	<u>1,469,505</u>	.8
Net investment income:											
Yen denominated	143,468	151,738	145,931	150,869	148,500	36,817	36,146	(1.8)	148,500	146,180	(1.6)
US\$ denominated	<u>70,697</u>	<u>75,471</u>	<u>112,831</u>	<u>130,543</u>	<u>146,357</u>	<u>37,564</u>	<u>32,574</u>	(13.3)	<u>146,357</u>	<u>131,473</u>	(10.2)
Total investment income	214,165	227,209	258,762	281,412	294,857	74,381	68,720	(7.6)	294,857	277,653	(5.8)
Other income excl. realized foreign currency gains (losses)	<u>3,615</u>	<u>4,603</u>	<u>5,322</u>	<u>3,383</u>	<u>3,723</u>	<u>915</u>	<u>1,072</u>		<u>3,723</u>	<u>4,297</u>	
Total operating revenues ⁽¹⁾	<u>1,463,141</u>	<u>1,600,292</u>	<u>1,725,216</u>	<u>1,747,755</u>	<u>1,756,273</u>	<u>440,875</u>	<u>436,213</u>	(1.1)	<u>1,756,273</u>	<u>1,751,455</u>	(.3)
Benefits and expenses:											
Benefits and claims, net											
Incurred claims -direct	602,198	637,561	647,433	660,367	658,123	163,656	172,288	5.3	658,123	679,996	3.3
Incurred claims -assumed (ceded)	(1,084)	(1,395)	(8,858)	(30,290)	(52,915)	(14,444)	(14,077)	(2.5)	(52,915)	(56,422)	6.6
Increase in FPB -direct	278,685	361,043	427,087	435,965	451,610	114,894	113,634	(1.1)	451,610	445,933	(1.3)
Increase in FPB -assumed (ceded)	<u>—</u>	<u>—</u>	<u>(487)</u>	<u>(1,741)</u>	<u>(3,344)</u>	<u>(817)</u>	<u>(578)</u>	(29.3)	<u>(3,344)</u>	<u>(2,602)</u>	(22.2)
Total net benefits and claims	879,799	997,209	1,065,175	1,064,301	1,053,474	263,289	271,267	3.0	1,053,474	1,066,905	1.3
Amortization of deferred policy acquisition costs	51,863	57,168	62,623	68,550	69,902	17,339	17,342	.0	69,902	69,839	(.1)
General operating expenses	<u>226,132</u>	<u>234,371</u>	<u>243,559</u>	<u>250,244</u>	<u>248,773</u>	<u>61,838</u>	<u>63,032</u>	1.9	<u>248,773</u>	<u>252,316</u>	1.4
Total benefits and expenses	<u>1,157,794</u>	<u>1,288,748</u>	<u>1,371,357</u>	<u>1,383,095</u>	<u>1,372,149</u>	<u>342,466</u>	<u>351,641</u>	2.7	<u>1,372,149</u>	<u>1,389,060</u>	1.2
Pretax operating earnings ⁽¹⁾	<u>¥ 305,347</u>	<u>¥ 311,544</u>	<u>¥ 353,859</u>	<u>¥ 364,660</u>	<u>¥ 384,124</u>	<u>¥ 98,409</u>	<u>¥ 84,572</u>	(14.1)	<u>¥ 384,124</u>	<u>¥ 362,395</u>	(5.7)

(1) See definition of operating earnings and operating revenues on cover page

Statements of Pre-Tax Operating Earnings
(Before Management Fee)
(In Millions)

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2011	2012	2013	2014	2015	2015	2016	%	2015	2016	%
Revenues:											
Net premiums											
Gross premiums	\$ 15,640	\$ 17,177	\$ 15,087	\$ 14,206	\$ 12,563	\$ 3,148	\$ 3,507	11.4	\$ 12,563	\$ 14,140	12.6
Assumed (ceded)	(21)	(26)	(105)	(345)	(517)	(139)	(147)	6.1	(517)	(603)	16.5
Total net premiums	15,619	17,151	14,982	13,861	12,046	3,009	3,360	11.7	12,046	13,537	12.4
Net investment income											
Yen denominated	1,799	1,902	1,497	1,429	1,227	303	331	9.3	1,227	1,346	9.7
US\$ denominated	889	943	1,154	1,233	1,209	309	298	(3.5)	1,209	1,208	.0
Total investment income	2,688	2,845	2,651	2,662	2,436	612	629	2.8	2,436	2,554	4.9
Other income excl. realized foreign currency gains (losses)	46	57	55	32	31	9	10		31	40	
Total operating revenues	18,353	20,053	17,688	16,555	14,513	3,630	3,999	10.2	14,513	16,131	11.2
Benefits and expenses:											
Benefits and claims, net											
Incurred claims -direct	7,547	7,990	6,641	6,261	5,438	1,348	1,583	17.4	5,438	6,265	15.2
Incurred claims -assumed (ceded)	(13)	(17)	(88)	(284)	(436)	(119)	(129)	8.1	(436)	(519)	19.0
Increase in FPB -direct	3,503	4,523	4,376	4,123	3,731	945	1,039	9.9	3,731	4,106	10.0
Increase in FPB -assumed (ceded)	—	—	(5)	(16)	(28)	(6)	(5)	(20.9)	(28)	(24)	(12.9)
Total net benefits and claims	11,037	12,496	10,924	10,084	8,705	2,168	2,488	14.8	8,705	9,828	12.9
Amortization of deferred policy acquisition costs	650	716	641	649	578	143	159	11.3	578	643	11.4
Operating expenses	2,837	2,937	2,495	2,364	2,055	509	577	13.6	2,055	2,326	13.2
Total benefits and expenses	14,524	16,149	14,060	13,097	11,338	2,820	3,224	14.4	11,338	12,797	12.9
Pretax operating earnings	\$ 3,829	\$ 3,904	\$ 3,628	\$ 3,458	\$ 3,175	\$ 810	\$ 775	(4.3)	\$ 3,175	\$ 3,334	5.0

Balance Sheets
(In Millions)

	December 31,					
	2011	2012	2013	2014	2015	2016
Assets:						
Investments and cash	¥ 7,190,297	¥ 9,070,942	¥ 9,956,712	¥ 10,957,847	¥ 10,763,982	¥ 11,463,613
Receivables, principally premiums, net	23,985	48,978	77,023	46,498	30,941	24,102
Accrued investment income	49,550	57,900	65,595	70,342	69,957	65,475
Deferred policy acquisition costs	552,104	588,831	613,229	628,175	647,642	671,563
Other assets	89,625	75,618	139,790	174,330	264,521	339,639
 Total assets	¥ 7,905,561	¥ 9,842,269	¥ 10,852,349	¥ 11,877,192	¥ 11,777,043	¥ 12,564,392
 Liabilities and Shareholders' Equity:						
Future policy benefits	¥ 5,658,866	¥ 6,019,908	¥ 6,510,973	¥ 6,981,769	¥ 7,507,247	¥ 7,955,244
Policy and contract claims	216,618	238,612	246,868	255,508	264,473	278,697
Unearned premiums	497,744	1,019,848	1,108,717	1,025,812	933,347	791,992
Other policyholder funds	330,328	443,125	596,488	726,899	758,043	775,746
Income taxes (prim. deferred)	132,268	246,740	339,101	522,342	476,124	545,640
Other liabilities	187,216	696,680	750,833	595,019	200,639	316,241
Shareholders' equity	882,521	1,177,356	1,299,369	1,769,843	1,637,170	1,900,832
 Total liabilities & shareholders' equity	¥ 7,905,561	¥ 9,842,269	¥ 10,852,349	¥ 11,877,192	¥ 11,777,043	¥ 12,564,392

Balance Sheets
(In Millions)

	December 31,					
	2011	2012	2013	2014	2015	2016
Assets:						
Investments and cash	\$ 92,492	\$ 104,769	\$ 94,475	\$ 90,899	\$ 89,246	\$ 98,409
Receivables, principally premiums, net	309	566	731	386	256	207
Accrued investment income	637	669	622	584	580	562
Deferred policy acquisition costs	7,102	6,801	5,819	5,211	5,370	5,765
Other assets	<u>1,152</u>	<u>873</u>	<u>1,326</u>	<u>1,445</u>	<u>2,194</u>	<u>2,915</u>
Total assets	<u>\$ 101,692</u>	<u>\$ 113,678</u>	<u>\$ 102,973</u>	<u>\$ 98,525</u>	<u>\$ 97,646</u>	<u>\$ 107,858</u>
Liabilities and Shareholders' Equity:						
Future policy benefits	\$ 72,792	\$ 69,530	\$ 61,780	\$ 57,916	\$ 62,244	\$ 68,291
Policy and contract claims	2,786	2,756	2,342	2,120	2,193	2,392
Unearned premiums	6,403	11,779	10,520	8,509	7,739	6,799
Other policyholder liabilities	4,249	5,118	5,660	6,030	6,284	6,659
Income taxes (prim. deferred)	1,702	2,850	3,218	4,333	3,948	4,684
Other liabilities	2,408	8,047	7,124	4,936	1,664	2,715
Shareholders' equity	<u>11,352</u>	<u>13,598</u>	<u>12,329</u>	<u>14,681</u>	<u>13,574</u>	<u>16,318</u>
Total liabilities & shareholders' equity	<u>\$ 101,692</u>	<u>\$ 113,678</u>	<u>\$ 102,973</u>	<u>\$ 98,525</u>	<u>\$ 97,646</u>	<u>\$ 107,858</u>

Quarterly Statements of Pre-Tax Operating Earnings⁽¹⁾ and Percentage Changes
(In Millions)

		Earned	%	Net	%	Total	%	Total	%	Amort.	%	General	%	Total	%	Pretax	%
		Premiums	Change	Investment	Change	Operating	Change	Benefits	Change		Change	Operating	Change	Operating	Change	Oper.	Change
				Income		Revenues⁽¹⁾						Expense		Expense		Earn.⁽¹⁾	
2009	1	¥ 281,655	3.6	¥ 52,462	.5	¥ 334,769	3.3	¥ 206,007	1.8	¥ 11,656	15.0	¥ 53,493	.3	¥ 65,149	2.7	¥ 63,613	9.3
	2	282,289	3.1	52,981	(.2)	336,743	2.5	203,467	–	11,792	13.3	55,238	.9	67,030	2.9	66,246	10.7
	3	285,977	3.4	53,170	(2.0)	339,883	2.6	203,728	(1.1)	11,552	15.1	56,763	4.2	68,315	5.9	67,840	11.8
	4	288,037	3.3	53,116	1.2	342,351	3.4	204,273	(2.9)	13,814	24.9	60,214	8.4	74,028	11.1	64,050	18.5
2010	1	290,832	3.3	53,765	2.5	346,939	3.6	206,510	.2	12,280	5.4	54,273	1.5	66,553	2.2	73,876	16.1
	2	293,109	3.8	54,572	3.0	347,550	3.2	205,037	.8	12,120	2.8	57,487	4.1	69,607	3.8	72,906	10.1
	3	296,816	3.8	53,590	.8	350,806	3.2	209,097	2.6	11,922	3.2	56,111	(1.1)	68,033	(.4)	73,676	8.6
	4	300,632	4.4	53,138	–	354,274	3.5	215,996	5.7	13,146	(4.8)	59,628	(1.0)	72,774	(1.7)	65,504	2.3
2011	1	304,800	4.8	53,414	(.7)	359,857	3.7	212,407	2.9	12,689	3.3	54,608	.6	67,297	1.1	80,153	8.5
	2	308,057	5.1	51,837	(5.0)	360,322	3.7	215,205	5.0	13,233	9.2	56,402	(1.9)	69,635	–	75,482	3.5
	3	312,867	5.4	54,081	.9	367,526	4.8	219,113	4.8	13,444	12.8	55,704	(.7)	69,148	1.6	79,265	7.6
	4	319,637	6.3	54,833	3.2	375,435	6.0	233,074	7.9	12,497	(4.9)	59,418	(.4)	71,915	(1.2)	70,446	7.5
2012	1	328,595	7.8	58,055	8.7	387,957	7.8	235,015	10.6	14,085	11.0	56,114	2.8	70,199	4.3	82,743	3.2
	2	338,028	9.7	55,396	6.9	393,471	9.2	244,044	13.4	14,189	7.2	57,936	2.7	72,125	3.6	77,302	2.4
	3	346,351	10.7	56,073	3.7	404,150	10.0	253,137	15.5	14,193	5.6	58,650	5.3	72,843	5.3	78,170	(1.4)
	4	355,507	11.2	57,685	5.2	414,714	10.5	265,012	13.7	14,701	17.6	61,672	3.8	76,373	6.2	73,329	4.1
2013	1	360,685	9.8	62,272	7.3	425,429	9.7	261,264	11.2	15,122	7.4	57,452	2.4	72,574	3.4	91,591	10.7
	2	367,104	8.6	64,583	16.6	432,746	10.0	266,345	9.1	15,065	6.2	58,491	1.0	73,556	2.0	92,845	20.1
	3	369,535	6.7	65,156	16.2	435,493	7.8	273,248	7.9	15,156	6.8	63,395	8.1	78,551	7.8	83,694	7.1
	4	363,808	2.3	66,751	15.7	431,548	4.1	264,319	(.3)	17,280	17.5	64,221	4.1	81,501	6.7	85,728	16.9
2014	1	365,865	1.4	68,105	9.4	434,923	2.2	260,514	(.3)	16,899	11.8	61,710	7.4	78,609	8.3	95,800	4.6
	2	365,492	(.4)	69,440	7.5	435,766	.7	264,095	(.8)	17,129	13.7	59,805	2.2	76,934	4.6	94,737	2.0
	3	367,115	(.7)	70,244	7.8	438,165	.6	273,380	–	16,488	8.8	62,266	(1.8)	78,754	.3	86,031	2.8
	4	364,488	.2	73,622	10.3	438,901	1.7	266,312	.8	18,034	4.4	66,462	3.5	84,496	3.7	88,093	2.8
2015	1	366,593	.2	72,994	7.2	440,505	1.3	265,291	1.8	17,798	5.3	59,874	(3.0)	77,672	(1.2)	97,542	1.8
	2	361,240	(1.2)	73,425	5.7	435,562	–	263,305	(.3)	17,158	.2	63,326	5.9	80,484	4.6	91,773	(3.1)
	3	364,280	(.8)	74,056	5.4	439,331	.3	261,589	(4.3)	17,607	6.8	63,735	2.4	81,342	3.3	96,400	12.1
	4	365,579	.3	74,381	1.0	440,875	.4	263,289	(1.1)	17,339	(3.9)	61,838	(7.0)	79,177	(6.3)	98,409	11.7
2016	1	367,012	.1	71,771	(1.7)	439,771	(.2)	263,632	(.6)	17,453	(1.9)	61,962	3.5	79,415	2.2	96,724	(.8)
	2	367,809	1.8	69,444	(5.4)	438,399	.7	265,312	.8	18,036	5.1	64,225	1.4	82,261	2.2	90,826	(1.0)
	3	368,263	1.1	67,718	(8.6)	437,072	(.5)	266,694	2.0	17,008	(3.4)	63,097	(1.0)	80,105	(1.5)	90,273	(6.4)
	4	366,421	.2	68,720	(7.6)	436,213	(1.1)	271,267	3.0	17,342	–	63,032	1.9	80,374	1.5	84,572	(14.1)

(1) See definition of operating earnings and operating revenues on cover page

Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs.

Addition of quarters may not equal annual amounts due to rounding

Operating Ratios
(Before Management Fee)

	<u>Period</u>	<u>Premium Persistence Rate</u>	<u>Incurred Claims/ Total Rev.</u>	<u>Incurred Claims/ Premium</u>	<u>Tot. Ben./ Total Revenues</u>	<u>Tot. Ben./ Premium</u>	<u>Amort./ Premium</u>	<u>Tot. Oper. Expenses/ Total Rev.</u>	<u>Combined Ratio/ Total Rev.</u>	<u>Pretax Profit Margin</u>
	2006	94.9	39.2	46.9	65.4	78.1	3.2	18.8	84.2	15.8
	2007	94.7	39.9	47.9	63.8	76.7	3.5	19.4	83.2	16.8
	2008	94.5	43.1	51.4	62.5	74.7	3.8	19.8	82.3	17.7
	2009	94.0	43.5	51.8	60.4	71.8	4.3	20.3	80.7	19.3
	2010	94.2	42.0	49.8	59.8	70.8	4.2	19.8	79.6	20.4
	2011	94.4	41.1	48.3	60.1	70.6	4.2	19.0	79.1	20.9
	2012	94.8	39.8	46.5	62.3	72.9	4.2	18.2	80.5	19.5
	2013	94.9	37.0	43.7	61.7	72.9	4.3	17.8	79.5	20.5
	2014	94.7	36.1	43.1	60.9	72.7	4.7	18.2	79.1	20.9
	2015	94.9	34.5	41.5	60.0	72.3	4.8	18.1	78.1	21.9
	2016	95.1	35.6	42.4	60.9	72.6	4.8	18.4	79.3	20.7
2013	1	95.0	38.1	44.9	61.4	72.4	4.2	17.1	78.5	21.5
	2	95.1	36.5	43.0	61.5	72.6	4.1	17.0	78.5	21.5
	3	95.1	37.1	43.7	62.7	73.9	4.1	18.1	80.8	19.2
	4	94.9	36.4	43.2	61.2	72.7	4.7	18.9	80.1	19.9
2014	1	94.4	36.5	43.3	59.9	71.2	4.6	18.1	78.0	22.0
	2	94.6	36.2	43.2	60.6	72.3	4.7	17.7	78.3	21.7
	3	94.8	36.6	43.6	62.4	74.5	4.5	18.0	80.4	19.6
	4	94.7	35.0	42.1	60.7	73.1	4.9	19.2	79.9	20.1
2015	1	94.6	35.7	42.9	60.2	72.4	4.9	17.7	77.9	22.1
	2	94.8	34.3	41.3	60.5	72.9	4.7	18.4	78.9	21.1
	3	94.9	34.1	41.1	59.5	71.8	4.8	18.6	78.1	21.9
	4	94.9	33.8	40.8	59.7	72.0	4.7	18.0	77.7	22.3
2016	1	95.0	35.4	42.4	59.9	71.8	4.8	18.1	78.0	22.0
	2	95.0	35.5	42.3	60.5	72.1	4.9	18.8	79.3	20.7
	3	95.1	35.3	41.8	61.0	72.4	4.6	18.3	79.3	20.7
	4	95.1	36.3	43.2	62.2	74.0	4.7	18.4	80.6	19.4

Beginning in 2010, amounts have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs.

Aflac Japan Sales Results
(In Millions)

Period	Annl. Prem. In Force (Billions)	% Change	New Annl. Prem. Sales	% Change	Convers. Prem.	Total New Premium	% Change	
2006	¥ 1,083.1	5.4	¥ 114,654	(8.2)	¥ 2,801	¥ 117,455	(8.8)	
2007	1,125.6	3.9	113,114	(1.3)	1,522	114,636	(2.4)	
2008	1,161.7	3.2	113,399	.3	1,293	114,692	–	
2009	1,200.4	3.3	121,490	7.1	855	122,345	6.7	
2010	1,255.6	4.6	135,299	11.4	514	135,813	11.0	
2011	1,343.7	7.0	160,738	18.8	295	161,033	18.6	
2012	1,492.5	11.1	210,401	30.9	219	210,620	30.8	
2013	1,567.1	5.0	149,155	(29.1)	153	149,308	(29.1)	
2014	1,594.4	1.7	114,375	(23.3)	138	114,513	(23.3)	
2015	1,617.7	1.5	120,736	5.6	119	120,855	5.5	
2016	1,606.1	(.7)	113,612	(5.9)	109	113,721	(5.9)	
2012	1	1,384.2	8.9	52,346	54.1	68	52,414	53.8
	2	1,423.6	10.8	53,146	47.5	64	53,210	47.4
	3	1,462.5	11.5	55,669	31.8	47	55,716	31.7
	4	1,492.5	11.1	49,240	1.6	41	49,281	1.5
2013	1	1,523.9	10.1	53,765	2.7	38	53,803	2.6
	2	1,538.1	8.0	30,217	(43.1)	63	30,280	(43.1)
	3	1,553.5	6.2	32,341	(41.9)	31	32,372	(41.9)
	4	1,567.1	5.0	32,832	(33.3)	21	32,853	(33.3)
2014	1	1,576.4	3.4	27,547	(48.8)	38	27,585	(48.7)
	2	1,584.2	3.0	27,912	(7.6)	28	27,940	(7.7)
	3	1,588.2	2.2	25,605	(20.8)	29	25,634	(20.8)
	4	1,594.4	1.7	33,311	1.5	44	33,355	1.5
2015	1	1,598.9	1.4	26,949	(2.2)	32	26,981	(2.2)
	2	1,604.0	1.3	30,547	9.4	34	30,581	9.4
	3	1,612.7	1.5	31,621	23.5	23	31,644	23.4
	4	1,617.7	1.5	31,619	(5.1)	31	31,650	(5.1)
2016	1	1,618.9	1.3	31,127	15.5	36	31,163	15.5
	2	1,622.4	1.1	30,221	(1.1)	29	30,250	(1.1)
	3	1,618.0	.3	26,494	(16.2)	19	26,513	(16.2)
	4	1,606.1	(.7)	25,770	(18.5)	26	25,796	(18.5)

Aflac Japan Product Mix
(New Annualized Premium Sales, In Billions)

		% of		% of		% of		% of		% of		% of		% of	
		<u>Cancer</u>	<u>Total</u>	<u>Medical⁽¹⁾</u>	<u>Total</u>	<u>Child Endowment</u>	<u>Total</u>	<u>WAYS</u>	<u>Total</u>	<u>Ordinary Life Other</u>	<u>Total</u>	<u>Income Support</u>	<u>Total</u>	<u>Other</u>	<u>Total</u>
2009	¥	34.6	28.3	¥ 48.0	39.2	¥ 10.9	8.9	¥ 7.3	6.0	¥ 16.8	13.8	¥ -	-	¥ 4.7	3.8
2010		29.9	22.0	46.5	34.2	25.3	18.6	12.1	8.9	17.1	12.6	-	-	5.0	3.7
2011		31.6	19.6	35.9	22.3	27.4	17.0	42.1	26.2	16.6	10.3	-	-	7.3	4.6
2012		27.6	13.1	36.8	17.5	24.4	11.6	94.5	44.9	18.0	8.5	-	-	9.3	4.4
2013		25.4	17.0	41.6	27.9	17.4	11.7	41.1	27.5	15.4	10.3	-	-	8.3	5.6
2014		34.7	30.3	36.4	31.8	11.7	10.2	16.0	14.0	9.5	8.3	-	-	6.2	5.4
2015		48.8	40.4	31.9	26.4	9.9	8.2	20.2	16.7	7.5	6.2	-	-	2.6	2.1
2016		53.0	46.6	29.6	26.0	7.2	6.4	13.5	11.8	7.0	6.2	1.4	1.3	1.9	1.7
2014	1	5.1	18.6	9.8	35.4	3.0	11.0	4.9	17.9	2.5	9.2	-	-	2.2	7.9
	2	6.3	22.5	9.8	35.0	2.9	10.4	4.1	14.8	2.6	9.2	-	-	2.3	8.1
	3	7.1	27.7	8.6	33.6	3.0	11.6	3.8	15.0	2.2	8.6	-	-	.9	3.5
	4	16.2	48.5	8.3	24.9	2.8	8.5	3.1	9.3	2.2	6.5	-	-	.8	2.3
2015	1	11.2	41.5	6.9	25.6	2.8	10.3	3.1	11.7	2.0	7.2	-	-	1.0	3.7
	2	12.5	41.0	7.5	24.7	2.4	7.9	5.6	18.3	1.9	6.1	-	-	.6	2.0
	3	12.0	37.9	9.1	28.9	2.4	7.7	5.7	18.1	1.9	5.8	-	-	.5	1.6
	4	13.1	41.3	8.3	26.2	2.3	7.3	5.7	18.1	1.8	5.7	-	-	.5	1.4
2016	1	11.0	35.4	7.2	23.2	2.8	9.1	7.8	25.1	1.7	5.5	-	-	.7	1.7
	2	13.9	46.0	8.4	27.9	1.5	5.1	4.1	13.5	1.8	6.0	-	-	.6	1.5
	3	14.0	52.9	7.0	26.2	1.2	4.5	1.5	5.7	1.7	6.4	.7	2.7	.4	1.6
	4	14.0	54.2	7.0	27.1	1.7	6.4	.1	.4	1.8	7.0	.7	2.8	.5	2.1

Aflac Japan Sales Force Data

Number of Agencies by Type

Sales Contribution by Agency Type

		Number of Agencies by Type				Sales Contribution by Agency Type				
		<u>Corporate</u>	<u>Affiliated Corporate</u>	<u>Bank</u>	<u>Total</u>	<u>Individual/Independent Corporate</u>	<u>Affiliated Corporate</u>	<u>Bank</u>	<u>Licensed Sales Associates⁽²⁾</u>	<u>Recruited Agencies</u>
2009		17,366	1,916	353	19,635	54.7	39.2	6.1	110,528	4,651
2010		17,725	1,893	364	19,982	51.1	34.3	14.6	115,406	4,854
2011		17,933	1,843	370	20,146	44.0	27.1	28.9	120,744	5,039
2012		16,703	1,780	372	18,855	34.7	19.7	45.6	125,266	3,248
2013		14,228	1,693	372	16,293	43.8	24.9	31.3	126,584	1,655
2014		12,871	1,628	371	14,870	46.1	32.4	21.5	121,143	958
2015		11,585	1,552	372	13,509	47.0	38.1	14.9	113,967	344
2016		10,560	1,496	372	12,428	46.7	44.4	8.9	108,721	180
2015	1	12,501	1,598	371	14,470	46.0	36.7	17.3	116,166	97
	2	12,218	1,572	372	14,162	47.3	38.1	14.6	116,495	93
	3	11,897	1,566	373	13,836	46.4	38.3	15.3	114,355	90
	4	11,585	1,552	372	13,509	48.0	39.1	12.9	113,967	64
2016	1	11,334	1,543	370	13,247	49.7	35.7	14.6	112,964	50
	2	11,079	1,517	370	12,966	48.4	44.6	7.0	111,427	55
	3	10,826	1,506	370	12,702	43.0	50.1	6.9	110,237	41
	4	10,560	1,496	372	12,428	44.8	48.8	6.3	108,721	34

(1) Includes stand-alone medical and other medical riders, including Rider MAX

(2) Excludes Dai-ichi Life, banks, Japan Post Group and Daido Life

**Yen/Dollar Exchange Rates
2000 - 2014
(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>				
2000	1	106.15	107.13	2003	1	120.20	118.93	2006	1	117.47	116.90	2009	1	98.23	93.37	2012	1	82.19	79.59
	2	105.50	106.91		2	119.80	118.71		2	115.24	115.65		2	96.01	95.44		2	79.31	79.88
	3	108.00	107.16		3	111.25	118.39		3	117.90	115.82		3	90.21	94.79		3	77.60	79.47
	4	114.75	107.83		4	107.13	115.95		4	119.11	116.31		4	92.10	93.49		4	86.58	79.81
2001	1	123.90	118.14	2004	1	105.69	107.32	2007	1	118.05	119.48	2010	1	93.04	90.54	2013	1	94.05	92.59
	2	124.60	120.43		2	108.43	108.52		2	123.26	120.13		2	88.48	91.32		2	98.59	95.60
	3	119.40	120.86		3	111.05	109.00		3	115.43	119.37		3	83.82	89.38		3	97.75	96.61
	4	131.95	121.54		4	104.21	108.26		4	114.15	117.93		4	81.49	87.73		4	105.39	97.54
2002	1	133.25	132.69	2005	1	107.39	104.50	2008	1	100.19	105.06	2011	1	83.15	82.32	2014	1	102.92	102.70
	2	119.45	129.77		2	110.62	106.04		2	106.42	104.77		2	80.73	81.95		2	101.36	102.42
	3	122.60	126.03		3	113.19	107.79		3	103.57	105.75		3	76.65	80.50		3	109.45	102.89
	4	119.90	125.15		4	118.07	109.88		4	91.03	103.46		4	77.74	79.75		4	120.55	105.46

**Yen/Dollar Exchange Rates
2015 - 2016
(By Quarter)**

		<u>Qtr End</u>	<u>Qtr Avg</u>	<u>Yearly Cum Avg</u>	<u>% change Cum Avg Yen vs. 14</u>			<u>Qtr End</u>	<u>Qtr Avg</u>	<u>Yearly Cum Avg</u>	<u>% change Cum Avg Yen vs. 15</u>
2015	1	120.17	119.16	119.16	(13.8)	2016	1	112.68	115.35	115.35	3.3
	2	122.45	121.20	120.14	(14.7)		2	102.91	108.28	111.82	7.4
	3	119.96	122.15	120.81	(14.8)		3	101.12	102.37	108.58	11.3
	4	120.61	121.54	120.99	(12.8)		4	116.49	109.10	108.70	11.3

Beginning in 2010, Quarter and Yearly averages have been adjusted for the adoption of new accounting guidance related to the deferral of policy acquisition costs.