

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 | 262 | 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) | (32) | | (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 |
| 2013 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) |
| 2013 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) |
| 2013 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 |
| 2014 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 |
| 2014 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 |
| 2014 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 |
| 2015 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 |
| 2015 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 |
| 2015 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 |
| 2016 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 |
| 2016 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 |
| 2016 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 | 99,262 | 112,052 | 103,913 | 95,067 | 95,942 | 101,219 |
| Loan Receivables, net of reserves⁽¹⁾ | | | | | | |
| Middle Market Loans | - | - | - | - | 118 | 319 |
| Commercial Mortgage Loans | - | - | - | - | - | 855 |
| Total Loan Receivables | - | - | - | - | 118 | 1,174 |
| Equity Securities⁽¹⁾ | 22 | 20 | 17 | 19 | 480 | 1,203 |
| Alternatives⁽²⁾ | - | - | - | - | - | - |
| Total Portfolio | \$ 99,284 | \$ 112,072 | \$ 103,930 | \$ 95,086 | \$ 96,540 | \$ 103,596 |

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 | 1,758 | 3,929 | 1,519 | 7,417 | 4,813 | 7,524 |
| 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 | (626) | 415 | 1,431 | 4,255 | 4,061 | 6,671 |
| Loan Receivables | | | | | | |
| Gross Gains | - | - | - | - | - | 1 |
| Gross Losses | - | - | - | - | - | (33) |
| Total Loan Receivables | - | - | - | - | - | (32) |
| Equity Securities | | | | | | |
| Gross Gains | 4 | 4 | 5 | 9 | 22 | 114 |
| Gross Losses | (1) | (1) | (1) | - | (4) | (8) |
| Total Equities | 3 | 3 | 4 | 9 | 18 | 106 |

(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 % | 2.80 % | 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 | % of Total | | % of Total | | Seniority | Ratings | | |
| | | Consolidated Book Value | Debt & Perpetual Securities | Consolidated Book Value | 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 | 0 0 0 0 | A- 0 A- A+ 0 A+ 0 - |
| 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 | Barclay's Bank PLC Barclay's Bank PLC Barclay's Bank PLC Barclay's Bank PLC Barclay's 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 FIXED INCOME PORTFOLIO | \$ 101,219 | 100.00 % | \$ 101,219 | 100.00 % | | | | |

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

Below-Investment-Grade Holdings ⁽¹⁾

(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 ⁽²⁾ | 249 | 183 | 205 | 22 | 257 | 189 | 213 | 24 |
| Barclays Bank PLC ⁽²⁾ | 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 ⁽²⁾ | 83 | 61 | 73 | 12 | - | - | - | - |
| Other Issuers (below \$50 million in par value) ⁽³⁾ | 333 | 306 | 277 | (29) | 249 | 237 | 235 | (2) |
| Subtotal⁽⁴⁾ | \$ 3,688 | \$ 2,937 | \$ 3,166 | \$ 229 | \$ 3,441 | \$ 2,859 | \$ 3,053 | \$ 194 |
| Senior secured bank loans ⁽⁵⁾ | \$ 1,400 | \$ 1,327 | \$ 1,362 | \$ 35 | \$ 1,758 | \$ 1,855 | \$ 1,764 | \$ (91) |
| High yield corporate bonds ⁽⁶⁾ | \$ 609 | \$ 621 | \$ 581 | \$ (40) | \$ 614 | \$ 602 | \$ 624 | \$ 22 |
| Grand Total | \$ 5,697 | \$ 4,885 | \$ 5,109 | \$ 224 | \$ 5,813 | \$ 5,316 | \$ 5,441 | \$ 125 |

* Investment grade at respective reporting date

(1) Excludes middle market loan portfolio which are primarily identified as below investment grade

(2) Includes perpetual security

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

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

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

(6) 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 |
| | <u>\$ 650</u> | <u>\$ 593</u> | <u>\$ 2,765</u> | <u>\$ -</u> | <u>\$ 1,381</u> | <u>\$ 5,389</u> |

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 | 5,341 | 5,628 | 5,791 | 5,859 | 6,033 | 1,504 | 1,543 | 2.6 | 6,033 | 6,167 | 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 | 435 | 3.6 | 1,572 | 1,593 | 1.5 |
| Total benefits and expenses | 4,437 | 4,631 | 4,753 | 4,786 | 4,932 | 1,267 | 1,281 | 1.2 | 4,932 | 4,959 | .6 |
| Pretax operating earnings | \$ 904 | \$ 997 | \$ 1,038 | \$ 1,073 | \$ 1,101 | \$ 237 | \$ 262 | 10.4 | \$ 1,101 | \$ 1,208 | 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) | 435 | 3.6 | 559 | 1.1 | 262 | 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 | 1,245,361 | 1,368,480 | 1,461,132 | 1,462,960 | 1,457,693 | 365,579 | 366,421 | .2 | 1,457,693 | 1,469,505 | .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 | 70,697 | 75,471 | 112,831 | 130,543 | 146,357 | 37,564 | 32,574 | (13.3) | 146,357 | 131,473 | (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) | 3,615 | 4,603 | 5,322 | 3,383 | 3,723 | 915 | 1,072 | | 3,723 | 4,297 | |
| Total operating revenues ⁽¹⁾ | 1,463,141 | 1,600,292 | 1,725,216 | 1,747,755 | 1,756,273 | 440,875 | 436,213 | (1.1) | 1,756,273 | 1,751,455 | (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) | - | - | (487) | (1,741) | (3,344) | (817) | (578) | (29.3) | (3,344) | (2,602) | (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 | 226,132 | 234,371 | 243,559 | 250,244 | 248,773 | 61,838 | 63,032 | 1.9 | 248,773 | 252,316 | 1.4 |
| Total benefits and expenses | 1,157,794 | 1,288,748 | 1,371,357 | 1,383,095 | 1,372,149 | 342,466 | 351,641 | 2.7 | 1,372,149 | 1,389,060 | 1.2 |
| Pretax operating earnings ⁽¹⁾ | ¥ 305,347 | ¥ 311,544 | ¥ 353,859 | ¥ 364,660 | ¥ 384,124 | ¥ 98,409 | ¥ 84,572 | (14.1) | ¥ 384,124 | ¥ 362,395 | (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) | <u>(21)</u> | <u>(26)</u> | <u>(105)</u> | <u>(345)</u> | <u>(517)</u> | <u>(139)</u> | <u>(147)</u> | 6.1 | <u>(517)</u> | <u>(603)</u> | 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 | <u>889</u> | <u>943</u> | <u>1,154</u> | <u>1,233</u> | <u>1,209</u> | <u>309</u> | <u>298</u> | (3.5) | <u>1,209</u> | <u>1,208</u> | .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) | <u>46</u> | <u>57</u> | <u>55</u> | <u>32</u> | <u>31</u> | <u>9</u> | <u>10</u> | | <u>31</u> | <u>40</u> | |
| Total operating revenues | <u>18,353</u> | <u>20,053</u> | <u>17,688</u> | <u>16,555</u> | <u>14,513</u> | <u>3,630</u> | <u>3,999</u> | 10.2 | <u>14,513</u> | <u>16,131</u> | 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) | <u>—</u> | <u>—</u> | <u>(5)</u> | <u>(16)</u> | <u>(28)</u> | <u>(6)</u> | <u>(5)</u> | (20.9) | <u>(28)</u> | <u>(24)</u> | (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 | <u>2,837</u> | <u>2,937</u> | <u>2,495</u> | <u>2,364</u> | <u>2,055</u> | <u>509</u> | <u>577</u> | 13.6 | <u>2,055</u> | <u>2,326</u> | 13.2 |
| Total benefits and expenses | <u>14,524</u> | <u>16,149</u> | <u>14,060</u> | <u>13,097</u> | <u>11,338</u> | <u>2,820</u> | <u>3,224</u> | 14.4 | <u>11,338</u> | <u>12,797</u> | 12.9 |
| Pretax operating earnings | \$ <u>3,829</u> | \$ <u>3,904</u> | \$ <u>3,628</u> | \$ <u>3,458</u> | \$ <u>3,175</u> | \$ <u>810</u> | \$ <u>775</u> | (4.3) | \$ <u>3,175</u> | \$ <u>3,334</u> | 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⁾ | | Expenses | | | | 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.