

# Investor Information

## 50 Years of Value

Just as Aflac products have helped provide financial security to millions of consumers over the last 50 years, Aflac's shares have also been a source of value to investors who put their faith in our business. Those who invested in Aflac when the company was founded in 1955 have been extremely well-rewarded. The purchase of 100 Aflac shares 50 years ago cost \$1,110. After 28 stock dividends or stock splits, those 100 shares had grown to 187,980 shares at the end of 2005, excluding reinvested cash dividends. As of December 31, 2005, the original investment would have been worth \$8.7 million. In addition, Aflac's early investors each received \$82,700 in cash dividends last year alone, or more than 74 times the acquisition price of those original 100 shares.

## A Year of Solid Investment Returns

For the third consecutive year, the stock market posted gains. The Standard & Poor's (S&P) 500 Index was up 3.0%, while insurance stocks, as measured by the Standard & Poor's Life and Health Insurance Index rose 20.9%.

Although Aflac's performance did not keep pace with the S&P Life and Health Index for

the year, Aflac did outperform the broader market. Aflac's share price closed the year at \$46.42, up 16.5% from its 2004 closing price of \$39.84. Our price appreciation in 2005 marked the 23<sup>rd</sup> time in the last 31 years that our shares have outperformed the S&P 500. Including reinvested cash dividends, Aflac's total return to shareholders was 17.7% in 2005. For the last five years, Aflac's total return has compounded annually at 6.1%. And over the last 10 years, our total return to shareholders has compounded at 21.4% annually. That compares with a 9.1% compound annual return for the S&P 500 for the same 10-year period.

## A Broad Shareholder Base

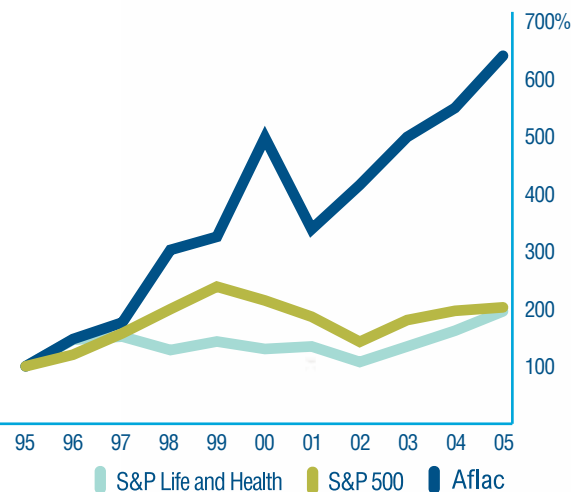
Approximately 80,800 registered shareholders owned Aflac shares at the end of 2005. Institutional investors owned approximately 56% of Aflac's shares, with the balance owned by individual investors. Directors, employees and agents owned about 5% of the company's shares at the end of 2005. Based on data from the National Association of Investors Corporation (NAIC), Aflac was again the most popular stock among its nearly 199,000 members both in terms of number

of shares held and the market value of those shares. According to research conducted by the NAIC, its membership owned approximately 19 million shares of Aflac stock.

## Committed to Our Shareholders' Slices of Life

We know that each member of the investment community has needs and expectations of the companies in which they invest. As a public company, our responsibility is to respond to all members of the investment community with transparent and relevant disclosure of information that may affect an investor's understanding of our operations. We take this responsibility very seriously.

Our Shareholder Services Department provides stock transfer services and administers our dividend reinvestment plan. On aflac.com, we provide access to the conference calls we conduct in conjunction with our quarterly earnings releases, webcasts of analyst meetings, a calendar of events, and an e-mail alert notification



## Comparative Market Performance

(1995 = 100)

*Aflac's shares have outperformed the S&P 500 in six of the last 10 years, and have beaten the S&P Life and Health Index in five of the last 10 years.*



service that automatically sends investors an e-mail message each time Aflac issues a press release or files with the Securities Exchange Commission (SEC). The “For Investors” page of aflac.com also provides a

convenient way to download and print annual and quarterly reports, SEC filings, and quarterly statistical financial supplements.

We work each day to meet our shareholders’ and policyholders’

expectations in an ethical and straightforward way. And we strive to address each slice of life in a way that brings financial relief to our policyholders and value to our shareholders.

## Glossary

**Benefit Ratio** – Incurred claims plus the increase in reserves for future policy benefits, as a percentage of total revenues.

**Corporate Agency** – An affiliated corporate agency is one that is directly affiliated with a specific corporation. A corporation establishes the agency to sell our insurance policies to its employees on payroll deduction. In turn, we pay the agency a commission.

**Deferred Policy Acquisition Costs (DAC)** – The costs of acquiring new business, principally agents’ current-year commissions in excess of ultimate renewal-year commissions, and certain policy issue, underwriting and marketing expenses, have been capitalized and deferred. These deferred policy acquisition costs are being amortized over the premium paying period of

the related policies in approximate proportion of annual premium income to the total anticipated premium income.

**Earnings Per Basic Share** – Net earnings divided by the weighted-average number of shares outstanding for the period.

**Earnings Per Diluted Share** – Net earnings divided by the weighted-average number of shares outstanding for the period plus the weighted-average shares for the dilutive effect of share-based awards.

**Future Policy Benefits** – This is the largest liability on the balance sheet. The company accumulates reserves during the life of a policy to meet expected claim payments covered by the policy. Most policies in force in Japan also have cash value benefits for which reserves are accrued.

**Incurred Claims** – The amount of claims paid plus the change in the unpaid claims liability, including cash surrender values.

**Persistency** – The percentage of premiums remaining in force at the end of a period, usually one year. Example: 95% persistency would mean that 95% of the premiums in force at the beginning of the period were still in force at the end of the period.

**Profit Repatriation** – Profits of Aflac Japan that are remitted to Aflac U.S.

**Return on Average Invested Assets** – Net investment income as a percentage of average investments and cash at amortized cost.

**Total New Annualized Premium Sales** – The annual premiums on policies sold and additional premiums on policies converted during the reporting period.

**Total Return to Shareholders** – The appreciation of a shareholder’s investment over a period of time, including reinvested cash dividends paid during that time.



## Peer Company Comparison

(S&P Life and Health Insurance Index Companies)

Symbol	Year-end Market Value (In billions)	2005 Return*	Five-Year Annual Return*	10-Year Annual Return*
Aflac	AFL \$ 23.2	17.8%	6.1%	21.4%
Jefferson-Pilot	JP 7.6	13.1	5.6	13.4
Lincoln National	LNC 9.2	17.1	5.6	10.3
Metlife	MET 37.1	22.3	7.9	**
Principal Financial	PFG 13.3	17.5	**	**
Prudential Financial	PRU 37.0	34.7	**	**
Torchmark	TMK 5.8	(1.9)	8.6	12.4
UnumProvident	UNM 6.8	28.9	(1.1)	.1

\*Includes reinvested cash dividends

\*\*Not applicable