Financial Analysts Briefing Supplement

Fourth Quarter 2020

This document is a statistical supplement to the Financial Analysts Briefing book. Throughout the presentation, amounts presented may not foot due to rounding. As you review the supplement, please note the non-U.S. GAAP measures and definitions found at the back of this document.

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Aflac Incorporated and Subsidiaries

Share Data

(In Thousands)

	Period	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.[1]		Avg. Shares	Dilutive Shares	Avg. Diluted	Avg. Shares	Dilutive Shares	Avg. Diluted
2018	1	780,910	384	1,418	6,640	315	775,757	778,550	5,302	783,852	778,550	5,302	783,852
	2	775,757	16	313	6,801	13	769,272	772,949	4,858	777,807	775,734	5,080	780,814
	3	769,272	450	427	7,002	34	763,113	767,049	5,021	772,070	772,807	5,060	777,867
	4	763,113	457	253	8,506	31	755,286	760,037	5,065	765,103	769,588	5,062	774,650
2019	1	755,286	430	1,569	10,237	561	746,487	751,423	4,367	755,790	751,423	4,367	755,790
	2	746,487	406	527	6,942	13	740,465	745,153	3,696	748,849	748,271	4,032	752,303
	3	740,465	396	231	5,947	15	735,130	739,946	3,896	743,842	745,465	3,987	749,452
	4	735,130	378	156	8,868	3	726,793	733,358	4,105	737,463	742,414	4,016	746,430
2020	1	726,793	468	1,613	9,984	508	718,382	724,366	3,146	727,512	724,366	3,146	727,512
	2	718,382	648	100	5,209	13	713,908	717,889	1,875	719,764	721,128	2,510	723,638
	3	713,908	468	134	10,916	20	703,574	711,698	2,095	713,793	717,962	2,372	720,333
	4	**703,574**	**437**	**235**	**11,791**	**1**	**692,454**	**701,016**	**2,843**	**703,859**	**713,702**	**2,490**	**716,192**

[1] *Includes previously owned shares used to purchase options (swapped shares) and/or shares purchased for deferred compensation program*

Summary of Adjusted Results by Business Segment

(In Millions, except per-share data and where noted)

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2015	2016	2017	2018	2019	2019	2020	% Change	2019	2020	% Change
Aflac Japan	$ 3,103	$ 3,148	$ 3,054	$ 3,208	$ 3,261	$ 757	$ **821**	8.5	$ 3,261	$ **3,263**	.1
Aflac U.S.	1,101	1,208	1,245	1,285	1,272	275	**187**	(32.0)	1,272	**1,268**	(.3)
Corporate and other	(203)	(239)	(214)	(139)	(72)	(9)	**(47)**		(72)	**(115)**	
Pretax adjusted earnings	4,001	4,117	4,086	4,354	4,461	1,023	**961**	(6.1)	4,461	**4,416**	(1.0)
Income taxes	1,377	1,426	1,370	1,129	1,147	267	**206**	(22.8)	1,147	**864**	(24.7)
Adjusted earnings [1]	2,624	2,691	2,716	3,226	3,314	756	**755**	(.1)	3,314	**3,552**	7.2
Reconciling items:											
Net investment gains (losses)	94	87	—	(297)	(15)	34	**268**		(15)	**(229)**	
Other and non-recurring income (loss) [2]	(233)	(137)	(69)	(75)	(1)	—	**(13)**		(1)	**(28)**	
Income tax benefit (expense) on items excluded from adjusted earnings	48	18	24	83	3	(12)	**(52)**		3	**72**	
Tax reform adjustment [3]	—	—	1,933	(18)	4	(4)	**—**		4	**—**	
Tax valuation allowance release [4]	—	—	—	—	—	—	**(7)**		—	**1,411**	
Net earnings	$ 2,533	$ 2,659	$ 4,604	$ 2,920	$ 3,304	$ 782	$ **951**	21.6	$ 3,304	$ **4,778**	44.6
Effective Tax rate	34.4 %	34.6 %	(14.6) %	26.7 %	25.7 %	26.1 %	**21.8** %		25.7 %	**(14.9)** %	
Earnings per share of common stock:											
Net earnings (basic)	$ 2.94	$ 3.23	$ 5.81	$ 3.79	$ 4.45	$ 1.07	$ **1.36**	27.1	$ 4.45	$ **6.69**	50.3
Net earnings (diluted)	2.92	3.21	5.77	3.77	4.43	1.06	**1.35**	27.4	4.43	**6.67**	50.6
Adjusted earnings (basic) [1]	$ 3.05	$ 3.27	$ 3.43	$ 4.20	$ 4.46	$ 1.03	$ **1.08**	4.9	$ 4.46	$ **4.98**	11.7
Adjusted earnings (diluted) [1]	3.03	3.25	3.40	4.16	4.44	1.03	**1.07**	3.9	4.44	**4.96**	11.7

[1] See non-U.S. GAAP measures for definition of adjusted earnings.

[2] Foreign currency gains (losses) for all periods have been reclassified from Other and non-recurring income (loss) to Net investment gains (losses).

[3] The impact of Tax Reform was adjusted in 2018 for return-to-provision adjustments, various amended returns filed by the Company, and final true-ups of deferred tax liabilities. Further impacts were recorded in 2019 as a result of additional guidance released by the IRS.

[4] Tax benefit recognized in the third quarter of 2020 represents the release of valuation allowances on deferred tax benefits related to foreign tax credits.

Aflac Incorporated and Subsidiaries

Consolidated Statements of Earnings - U.S. GAAP

(In Millions, except per-share data)

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2015	2016	2017	2018	2019	2019	2020	% Change	2019	2020	% Change
Revenues:											
Net premiums											
Gross premiums	$ 17,904	$ 19,592	$ 18,875	$ 19,018	$ 19,122	$ 4,757	**$ 4,719**		$ 19,122	**$ 18,955**	
Assumed (ceded)	(334)	(367)	(345)	(341)	(342)	(86)	**(67)**		(342)	**(333)**	
Total net premiums	17,570	19,225	18,531	18,677	18,780	4,671	**4,653**	(.4)	18,780	**18,622**	(.8)
Net investment income	3,135	3,278	3,220	3,442	3,578	886	**968**	9.3	3,578	**3,638**	1.7
Net investment gains (losses) [1]	106	(14)	(151)	(430)	(135)	12	**256**		(135)	**(270)**	
Other income [1]	61	70	67	69	84	34	**36**		84	**157**	
Total revenues	20,872	22,559	21,667	21,758	22,307	5,603	**5,913**	5.5	22,307	**22,147**	(.7)
Benefits and Expenses:											
Benefits and claims, net											
Incurred claims -direct	7,952	8,780	8,853	9,121	9,279	2,310	**2,372**		9,279	**9,364**	
Incurred claims -assumed (ceded)	(314)	(356)	(446)	(421)	(372)	(88)	**(54)**		(372)	**(296)**	
Increase in FPB [2]-direct	4,089	4,460	3,628	3,167	2,952	741	**652**		2,952	**2,707**	
Increase in FPB [2]-assumed (ceded)	19	35	146	133	83	22	**4**		83	**21**	
Total net benefits and claims	11,746	12,919	12,181	12,000	11,942	2,985	**2,974**	(.4)	11,942	**11,796**	(1.2)
Acquisition and operating expenses:											
Amortization of DAC [3]	1,066	1,141	1,132	1,245	1,282	315	**300**		1,282	**1,214**	
Insurance commissions	1,303	1,368	1,316	1,320	1,321	330	**323**		1,321	**1,316**	
Insurance expenses	2,214	2,452	2,780	2,988	3,089	859	**1,038**		3,089	**3,420**	
Interest expense	289	268	240	222	228	56	**62**		228	**242**	
Other expenses	392	344	—	—	—	—	**—**		—	**—**	
Total acquisition and operating expenses	5,264	5,573	5,468	5,775	5,920	1,560	**1,723**	10.4	5,920	**6,192**	4.6
Total benefits and expenses	17,010	18,492	17,649	17,775	17,862	4,545	**4,697**	3.3	17,862	**17,988**	.7
Pretax earnings	3,862	4,067	4,018	3,983	4,445	1,058	**1,216**		4,445	**4,159**	
Income tax expense (benefit)	1,329	1,408	(586)	1,063	1,141	276	**265**		1,141	**(619)**	
Net earnings	$ 2,533	$ 2,659	$ 4,604	$ 2,920	$ 3,304	$ 782	**$ 951**	21.6	$ 3,304	**$ 4,778**	44.6

[1] Foreign currency gains (losses) for all periods have been reclassified from Other income to Net investment gains (losses) for consistency with current period presentation.

[2] Future policy benefits

[3] Deferred acquisition costs

Analysis of Net Earnings and Net Earnings Per Diluted Share

(In Millions, except for per-share data)

	Period	Net Earnings	Net Investment Gains (Losses) [1]	Other and Non-Recurring Items [1][3][4]	Foreign Currency Impact [2]	Net Earnings Per Share	Net Investment Gains (Losses) [1]	Other and Non-Recurring Items Per Share [1][3][4]	Foreign Currency Impact Per Share [2]
	2015	2,533	60	(151)	(198)	2.92	.07	(.17)	(.23)
	2016	2,659	57	(89)	141	3.21	.07	(.11)	.17
	2017	4,604	—	1,888	(41)	5.77	—	2.37	(.05)
	2018	2,920	(230)	(76)	28	3.77	(.30)	(.09)	.04
	2019	3,304	(13)	3	15	4.43	(.02)	.01	.02
	2020	**4,778**	**(181)**	**1,407**	**31**	**6.67**	**(.25)**	**1.96**	**.04**
2018	1	717	(80)	(23)	21	.91	(.10)	(.03)	.03
	2	832	29	(31)	7	1.07	.04	(.04)	.01
	3	845	66	(13)	(1)	1.09	.08	(.01)	—
	4	525	(245)	(9)	1	.69	(.32)	(.01)	—
2019	1	928	80	—	(8)	1.23	.11	—	(.01)
	2	817	(29)	—	(4)	1.09	(.04)	—	(.01)
	3	777	(86)	—	15	1.04	(.12)	—	.02
	4	782	22	4	13	1.06	.03	.01	.02
2020	1	566	(322)	5	9	.78	(.44)	.01	.01
	2	805	(116)	—	5	1.12	(.16)	—	.01
	3	2,456	45	1,418	3	3.44	.06	1.99	—
	4	**951**	**212**	**(15)**	**14**	**1.35**	**.30**	**(.02)**	**.02**

[1] Items are presented net of tax.

[2] See non-U.S. GAAP measures for definition of adjusted earnings excluding current period foreign currency impact

[3] Foreign currency gains/(losses) and amortized hedge costs/income for all periods have been reclassified from Other income to Net investment gains (losses) for consistency with current period presentation.

[4] The impact of Tax Reform was adjusted in 2018 for return-to-provision adjustments, various amended returns filed by the Company, and final true-ups of deferred tax liabilities. Further impacts were recorded in 2019 as a result of additional guidance released by the IRS.Tax benefit recognized in the third quarter of 2020 represents the release of valuation allowances on deferred tax benefits related to foreign tax credits.

Aflac Incorporated and Subsidiaries

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

Assets:	December 31, 2015	2016	2017	2018	2019	2020
Investments and cash:						
Securities available for sale:						
Fixed maturity securities available for sale, at fair value	$ 62,514	$ 70,203	$ 78,804	$ 78,429	$ 86,950	$ **101,286**
Fixed maturity securities available for sale - consolidated variable interest entities, at fair value	4,782	5,190	5,509	4,466	4,312	**4,596**
Fixed maturity securities held to maturity, at amortized cost, net of allowance for credit losses	33,459	33,350	31,430	30,318	30,085	**24,464**
Equity securities, at fair value	498	1,309	1,023	987	802	**1,283**
Commercial mortgage and other loans, net of allowance for credit losses	118	1,174	3,002	6,919	9,569	**10,554**
Other investments	176	276	400	787	1,477	**2,429**
Cash and cash equivalents	4,350	4,859	3,491	4,337	4,896	**5,141**
Total investments and cash	105,897	116,361	123,659	126,243	138,091	**149,753**
Receivables, net of allowance for credit losses	705	669	827	851	828	**796**
Accrued investment income	768	754	769	773	772	**780**
Deferred policy acquisition costs	8,511	8,993	9,505	9,875	10,128	**10,441**
Property and equipment, net	427	433	434	443	581	**601**
Other assets, net of allowance for credit losses [(1)]	1,948	2,609	2,023	2,221	2,368	**2,715**
Total assets	$ 118,256	$ 129,819	$ 137,217	$ 140,406	$ 152,768	$ **165,086**
Liabilities and Shareholders' Equity:						
Liabilities:						
Total policy liabilities	$ 87,631	$ 93,726	$ 99,147	$ 103,188	$ 106,554	$ **114,391**
Notes payable	4,971	5,360	5,289	5,778	6,569	**7,899**
Income taxes, primarily deferred	4,340	5,387	4,745	4,020	5,370	**4,661**
Other liabilities	3,606	4,864	3,438	3,958	5,316	**4,576**
Total liabilities	100,548	109,337	112,619	116,944	123,809	**131,527**
Shareholders' equity:						
Common stock	135	135	135	135	135	**135**
Additional paid-in capital	1,760	1,908	2,052	2,177	2,313	**2,410**
Retained earnings	24,007	25,981	29,895	31,788	34,291	**37,984**
Accumulated other comprehensive income (loss):						
Unrealized foreign currency translation gains (losses)	(2,196)	(1,983)	(1,750)	(1,847)	(1,623)	**(1,109)**
Unrealized gains (losses) on fixed maturity securities	2,986	4,805	5,964	4,234	8,548	**10,361**
Unrealized gains (losses) on derivatives	(26)	(24)	(23)	(24)	(33)	**(34)**
Pension liability adjustment	(139)	(168)	(163)	(212)	(277)	**(284)**
Treasury stock	(8,819)	(10,172)	(11,512)	(12,789)	(14,395)	**(15,904)**
Total shareholders' equity	17,708	20,482	24,598	23,462	28,959	**33,559**
Total liabilities & shareholders' equity	$ 118,256	$ 129,819	$ 137,217	$ 140,406	$ 152,768	$ **165,086**

[(1)] Includes goodwill of $269 million in 2020 $140 million in 2019, $67 million in 2018, $67 million in 2017, $67 million in 2016 and $67 in 2015

Quarterly Financial Results

(Dollars In Millions, except per-share data)

Period		Net Premium Income	Net Inv. Income	Total Revenues	Benefits & Claims	Total Acquisitions & Adj. Exp.	Total Pretax Earn.	Net Earn.	Adjusted Earn. [1]	Net EPS		Adj. EPS [1]	
										Basic	Dil.	Basic	Dil.
	2015	17,570	3,135	20,872	11,746	5,264	3,862	2,533	2,624	2.94	2.92	3.05	3.03
	2016	19,225	3,278	22,559	12,919	5,573	4,067	2,659	2,691	3.23	3.21	3.27	3.25
	2017	18,531	3,220	21,667	12,181	5,468	4,018	4,604	2,716	5.81	5.77	3.43	3.40
	2018	18,677	3,442	21,758	12,000	5,775	3,983	2,920	3,226	3.79	3.77	4.20	4.16
	2019	18,780	3,578	22,307	11,942	5,920	4,445	3,304	3,314	4.45	4.43	4.46	4.44
	2020	**18,622**	**3,638**	**22,147**	**11,796**	**6,192**	**4,159**	**4,778**	**3,552**	**6.69**	**6.67**	**4.98**	**4.96**
2018	1	4,745	837	5,464	3,042	1,440	982	717	821	.92	.91	1.05	1.05
	2	4,706	862	5,589	3,031	1,427	1,131	832	835	1.08	1.07	1.08	1.07
	3	4,636	870	5,577	3,002	1,429	1,146	845	792	1.10	1.09	1.03	1.03
	4	4,591	874	5,126	2,925	1,479	722	525	779	.69	.69	1.02	1.02
2019	1	4,691	878	5,657	2,967	1,448	1,242	928	849	1.23	1.23	1.13	1.12
	2	4,681	878	5,511	2,964	1,438	1,109	817	846	1.10	1.09	1.14	1.13
	3	4,736	936	5,536	3,027	1,473	1,036	777	863	1.05	1.04	1.17	1.16
	4	4,671	886	5,603	2,985	1,560	1,058	782	756	1.07	1.06	1.03	1.03
2020	1	4,681	904	5,162	2,939	1,503	720	566	882	.78	.78	1.22	1.21
	2	4,664	870	5,407	2,897	1,440	1,070	805	921	1.12	1.12	1.28	1.28
	3	4,623	896	5,665	2,985	1,527	1,153	2,456	994	3.45	3.44	1.40	1.39
	4	**4,653**	**968**	**5,913**	**2,974**	**1,723**	**1,216**	**951**	**755**	**1.36**	**1.35**	**1.08**	**1.07**

[1] See non-U.S. GAAP measures for definition of adjusted earnings and adjusted earnings per share.

Quarterly Book Value Per Share

(Dollars In Millions, except per-share data)

	Period	Equity BV Per Share	AOCI BV Per Share	Adjusted BV Per Share [1]	Adjusted BV Per Share % Change	Adjusted BV Per Share Incl Foreign Currency Translation G/(L)[1]	Adjusted BV Per Share Incl Foreign Currency Translation G/(L) % Change
	2015	20.86	0.74	20.13	8.8%	17.54	12.3%
	2016	25.24	3.24	22.00	9.3%	19.55	11.5%
	2017	31.50	5.16	26.34	19.7%	24.10	23.3%
	2018	31.06	2.85	28.22	7.1%	25.77	6.9%
	2019	39.84	9.10	30.74	8.9%	28.51	10.6%
	2020	**48.46**	**12.90**	**35.56**	**15.7%**	**33.96**	**19.1%**
2018	1	31.31	4.75	26.56	19.4%	24.88	23.4%
	2	30.94	3.71	27.23	19.1%	24.93	19.5%
	3	30.45	2.50	27.94	19.3%	25.18	18.5%
	4	31.06	2.85	28.22	7.1%	25.77	6.9%
2019	1	34.90	6.00	28.89	8.8%	26.42	6.2%
	2	38.14	8.59	29.54	8.5%	27.58	10.6%
	3	40.04	9.86	30.18	8.0%	28.17	11.9%
	4	39.84	9.10	30.74	8.9%	28.51	10.6%
2020	1	36.75	5.83	30.92	7.0%	28.77	8.9%
	2	41.21	9.45	31.75	7.5%	29.70	7.7%
	3	46.16	11.25	34.91	15.7%	33.08	17.4%
	4	**48.46**	**12.90**	**35.56**	**15.7%**	**33.96**	**19.1%**

[1] See non-U.S. GAAP measures for definition of adjusted book value per common share and adjusted book value including unrealized foreign currency translation gains (losses) per common share.

Return on Equity [1]

	Year ended December 31,					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
U.S. GAAP ROE [2] - Net earnings	14.1 %	13.9 %	20.4 %	12.2 %	12.6 %	15.3 %
Impact of excluding unrealized foreign currency translation gains (losses)	(2.0)	(1.7)	(2.0)	(1.0)	(1.0)	(0.9)
Impact of excluding unrealized gains (losses) on securities and derivatives	3.2	3.1	5.8	3.0	3.6	6.2
Impact of excluding pension liability adjustment	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.2)
Impact of excluding AOCI	1.1	1.3	3.6	1.8	2.5	5.1
U.S. GAAP ROE - less AOCI	15.1	15.2	24.0	13.9	15.1	20.3
Differences between adjusted earnings and net earnings [3]	0.5	0.2	(9.8)	1.5	0.0	(5.2)
Adjusted ROE - reported [4]	15.7	15.4	14.2	15.4	15.2	15.1

[1] *Amounts presented may not foot due to rounding.*

[2] *U.S. GAAP ROE is calculated by dividing net earnings (annualized) by average shareholders' equity.*

[3] *See separate reconciliation of net income to adjusted earnings.*

[4] *See non-U.S. GAAP measures for definition of adjusted return on equity*

Adjusted Earnings Per Share Excluding Current Period Foreign Currency Impact [(1)]

(Diluted Basis)

	Period	Adjusted EPS[(1)]	Growth	QTD Foreign Currency Impact[(1)]	YTD Foreign Currency Impact[(1)]	Excluding Foreign Currency Impact[(1)]	Change Excluding Foreign Currency Impact
	2015	$ 3.03	(1.0)%	N/A	(.23)	$ 3.26	6.5 %
	2016	$ 3.25	7.3 %	N/A	.17	$ 3.08	1.7 %
	2017	$ 3.40	4.6 %	N/A	(.05)	$ 3.45	6.2 %
	2018	$ 4.16	22.4 %	N/A	.04	$ 4.13	21.5 %
	2019	$ 4.44	6.7 %	N/A	.02	$ 4.42	6.3 %
	2020	**$ 4.96**	**11.7 %**	**N/A**	**.04**	**$ 4.92**	**10.8 %**
2018	1	$ 1.05	25.0 %	.03	.03	$ 1.02	21.4 %
	2	1.07	16.3	.01	.04	1.06	15.2
	3	1.03	21.2	—	.03	1.03	21.2
	4	1.02	27.5	—	.04	1.02	27.5
		$ 4.16	22.4 %			$ 4.13	21.5 %
2019	1	$ 1.12	6.7 %	(.01)	(.01)	$ 1.13	7.6 %
	2	1.13	5.6	(.01)	(.02)	1.14	6.5
	3	1.16	12.6	.02	—	1.14	10.7
	4	1.03	1.0	.02	.02	1.01	(1.0)
		$ 4.44	6.7 %			$ 4.42	6.3 %
2020	1	$ 1.21	8.0 %	.01	.01	$ 1.20	7.1 %
	2	1.28	13.3	.01	.02	1.27	12.4
	3	1.39	19.8	—	.02	1.39	19.8
	4	**1.07**	**3.9**	**.02**	**.04**	**1.05**	**1.9**
		$ 4.96	**11.7 %**			**$ 4.92**	**10.8 %**

[(1)] See non-U.S.GAAP measures for definition of adjusted earnings per share and adjusted earnings per diluted share excluding current period foreign currency impact

Composition of Invested Assets

(In Millions)

	December 31,					
	2015	2016	2017	2018	2019	2020
Fixed Maturity Securities[1]	$ 95,942	$ 101,219	$ 106,562	$ 107,174	$ 109,456	$ **116,056**
Commercial mortgage and other loans, net of allowance for credit losses [1]						
Transitional Real Estate (floating rate)	—	—	1,235	4,378	5,450	**5,231**
Middle Market Loans (floating rate)	118	319	859	1,478	2,412	**3,635**
Commercial Mortgage Loans	—	855	908	1,063	1,707	**1,688**
Total Commercial mortgage and other loans, net of allowance for credit losses[1]	118	1,174	3,002	6,919	9,569	**10,554**
Equity Securities, at FV through net earnings	480	1,203	846	987	802	**1,283**
Alternatives[2]	—	—	113	370	551	**919**
Total Portfolio	$ 96,540	$ 103,596	$ 110,523	$ 115,450	$ 120,378	$ **128,812**

Unrealized Gains (Losses) on Invested Assets

(In Millions)

	December 31,					
	2015	2016	2017	2018	2019	2020
Fixed Maturity Securities						
Available For Sale - Gross Gains	$ 6,605	$ 8,608	$ 9,985	$ 7,733	$ 12,266	$ **14,771**
Available For Sale - Gross Losses	(1,792)	(1,084)	(804)	(1,694)	(375)	**(481)**
Total Available For Sale	4,813	7,524	9,181	6,039	11,891	**14,290**
Held to Maturity - Gross Gains	4,278	6,735	6,651	6,470	7,519	**5,935**
Held to Maturity - Gross Losses	(217)	(64)	(9)	(66)	(10)	**—**
Total Held to Maturity	$ 4,061	$ 6,671	$ 6,642	$ 6,404	$ 7,509	$ **5,935**

Credit Ratings on Fixed Maturities

(At Amortized Cost)

	December 31,					
Credit Rating	2015	2016	2017	2018	2019	2020
AAA	1.3 %	2.0 %	1.0 %	1.0 %	1.1 %	**1.0** %
AA	5.7	5.0	3.9	3.9	4.3	**4.5**
A	61.0	63.1	65.8	67.9	68.6	**69.3**
BBB	26.9	24.6	24.0	23.2	23.1	**21.9**
BB or Lower	5.1	5.3	5.3	4.0	2.9	**3.3**
	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	**100.0** %

[1] Presented at amortized cost, net of reserves beginning in 2020

[2] Presented at carrying 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,	
	2015	2016	2017	2018	2019	2020	2019	2020
Aflac Japan:								
Invested assets (in millions)[1]	¥10,259,013	¥10,711,399	¥11,017,560	¥11,442,444	¥11,784,586	**¥11,936,087**	¥11,784,586	**¥11,936,087**
Return on average invested assets[2]	2.81 %	2.47 %	2.31 %	2.33 %	2.33 %	**2.38 %**	2.28 %	**2.51 %**
Portfolio book yield at end of period[3]	2.80 %	2.62 %	2.56 %	2.61 %	2.64 %	**2.59 %**	2.64 %	**2.59 %**
Total purchases for period (in millions)[3]	¥ 637,967	¥ 1,198,579	¥1,078,586	¥ 1,298,376	¥1,003,885	**¥ 714,124**	¥ 250,887	**¥ 138,299**
New money yield[3][4]	2.89 %	1.40 %	1.98 %	3.06 %	3.83 %	**3.75 %**	4.41 %	**3.84 %**
Aflac U.S.:								
Invested assets (in millions)[1]	$ 13,661	$ 14,124	$ 13,764	$ 13,798	$ 14,036	**$ 14,848**	$ 14,036	**$ 14,848**
Return on average invested assets[2]	5.19 %	5.04 %	5.07 %	5.16 %	5.70 %	**4.90 %**	5.06 %	**4.86 %**
Portfolio book yield at end of period[3]	5.77 %	5.60 %	5.52 %	5.55 %	5.40 %	**5.18 %**	5.40 %	**5.18 %**
Total purchases for period (in millions)[3]	$ 904	$ 1,144	$ 1,434	$ 2,155	$ 1,835	**$ 1,050**	$ 364	**$ 336**
New money yield[3][4]	4.45 %	3.89 %	4.49 %	4.55 %	4.51 %	**3.04 %**	4.59 %	**2.62 %**

Hedge Costs/Income Metrics [5][6]

	December 31,						3 Months Ended December 31,	
	2015	2016	2017	2018	2019	2020	2019	2020
Aflac Japan:								
FX hedged notional at end of period (in billions)[7]	$ 13.1	$ 11.8	$ 9.3	$ 9.9	$ 8.8	**$ 6.0**	$ 8.8	**$ 6.0**
Weighted average remaining tenor (in months)[8]	6.4	18.5	27.7	21.4	8.5	**13.0**	8.5	**13.0**
Amortized hedge costs for period (in millions)	$ (72)	$ (186)	$ (228)	$ (236)	$ (257)	**$ (206)**	$ (66)	**$ (51)**
Corporate and Other (Parent Company):								
FX hedged notional at end of period (in billions)[7]	$ —	$ —	$ —	$ 2.5	$ 4.9	**$ 5.0**	$ 4.9	**$ 5.0**
Weighted average remaining tenor (in months)[8]	—	—	—	16.1	13.7	**12.1**	13.7	**12.1**
Amortized hedge income (costs) for period (in millions)	$ —	$ —	$ —	$ 36	$ 89	**$ 97**	$ 27	**$ 19**

[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 and amortized hedge costs, year-to-date number reflected on a quarterly average basis

[3] Includes fixed maturity securities, commercial mortgage and other loans, equity securities, and excludes alternative investments in limited partnerships

[4] Reported on a gross yield basis; excludes investment expenses, external management fees, and amortized hedge costs

[5] See non-U.S. GAAP measures for definition of amortized hedge costs/income. Further, the metrics in this table are split to show the hedging of the market value of a portion of the USD investments in Japan Segment's "USD Program" in the "Japan Segment Portfolio Allocation by Currency" table on page 13 of this supplement as well as the corporate hedging activities at Aflac Inc.

[6] Aflac Japan and the Parent Company utilize foreign currency forwards and options to hedge foreign currency exchange rate risk. The hedge cost/income on the table above reflects our FX forward protection of the hedged USD portfolio, and hedge costs on one sided options used as caps, and on tail-risk put options. The table does not include the notional amount and weighted average remaining tenor for these options. At December 31, 2020, Aflac Japan caps and put options notional amount was $13.1bn with a weighted average remaining tenor of 5.3 months. At December 31, 2020, the Parent Company caps notional amount was $2bn with a weighted average remaining tenor of 7.2 months.

[7] Notional is reported net of any offsetting positions within Aflac Japan or the Parent PCompany, respectively.

[8] Tenor based on period reporting date to settlement date

Japan Segment Portfolio Allocation by Currency [1]

(Dollars In Millions, U.S. GAAP Basis)

	December 31, 2019		December 31, 2020	
	Amortized Cost [2]	Fair Value	Amortized Cost [2]	Fair Value
JGB	$ 51,726	$ 62,584	$ 55,153	$ 64,657
Other	24,683	28,629	26,013	30,667
Total yen denominated	76,409	91,213	81,166	95,324
USD Program	27,160	28,721	29,380	31,279
Other	1,700	2,608	2,085	3,094
US dollar denominated	28,860	31,329	31,465	34,373
Total	**$ 105,269**	**$ 122,542**	**$ 112,631**	**$ 129,697**

Distribution of Consolidated Fixed Maturities by Sector

	December 31, 2020	
(In millions)	Amortized Cost [2]	% of Total
Government and agencies	**$ 56,649**	**48.9 %**
Municipalities	**2,855**	**2.5**
Mortgage- and asset-backed securities	**1,009**	**.9**
Public utilities	**8,837**	**7.6**
Electric	7,131	6.1
Natural Gas	318	.3
Other	615	.5
Utility/Energy	773	.7
Sovereign and Supranational	**1,784**	**1.5**
Banks/financial institutions	**10,525**	**9.0**
Banking	6,299	5.4
Insurance	2,007	1.7
Other	2,219	1.9
Other corporate	**34,397**	**29.6**
Basic Industry	3,309	2.9
Capital Goods	3,388	2.9
Communications	4,096	3.5
Consumer Cyclical	3,159	2.7
Consumer Non-Cyclical	7,209	6.2
Energy	4,130	3.6
Other	1,565	1.3
Technology	3,514	3.0
Transportation	4,027	3.5
Total fixed maturity securities	**$ 116,056**	**100.0 %**

[1] The entire U.S. segment investment portfolio is U.S. dollar denominated.

[2] Net of reserves beginning in 2020

Aflac Incorporated and Subsidiaries

Long-Term Debt Data

Adjusted Leverage Ratios

(In Millions)

	December 31,					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Notes payable	$ 4,971	$ 5,360	$ 5,289	$ 5,778	$ 6,569	$ **7,899**
50% of subordinated debentures and perpetual bonds	(243)	(243)	(263)	(268)	(408)	**(432)**
Pre-funding of debt maturities	—	(649)	—	—	(348)	**—**
Adjusted debt [(1)]	4,728	4,468	5,026	5,510	5,814	**7,467**
Total Shareholders' Equity	17,708	20,482	24,598	23,462	28,959	**33,559**
Accumulated other comprehensive (income) loss:						
Unrealized foreign currency translation (gains) losses	2,196	1,983	1,750	1,847	1,623	**1,109**
Unrealized (gains) losses on fixed maturity securities	(2,986)	(4,805)	(5,964)	(4,234)	(8,548)	**(10,361)**
Unrealized (gains) losses on derivatives	26	24	23	24	33	**34**
Pension liability adjustment	139	168	163	212	277	**284**
Adjusted book value [(1)]	17,083	17,852	20,570	21,311	22,344	**24,625**
Adjusted capitalization ex-AOCI [(1) (2)]	$ 22,054	$ 22,563	$ 25,859	$ 27,089	$ 28,565	$ **32,524**
Adjusted debt to adjusted capitalization ex-AOCI	21.4 %	19.8 %	19.4 %	20.3 %	20.4 %	**23.0** %
Adjusted capitalization [(1) (3)]	$ 19,719	$ 20,412	$ 23,946	$ 25,030	$ 26,665	$ **31,131**
Adjusted debt to adjusted capitalization	24.0 %	21.9 %	21.0 %	22.0 %	21.8 %	**24.0** %

Debt Maturities[(4)]

(In Millions)

December 31, 2020

	≤ 1 year	**1 > 5 years**	**5 > 10 years**	**10 > 20 years**	**20 years +**	**Total**
Senior Notes	$ —	$ 1,450	$ 1,861	$ 2,416	$ 1,207	$ **6,934**
Subordinated debt	—	—	—	—	870	**870**
Total	$ —	$ 1,450	$ 1,861	$ 2,416	$ 2,077	$ **7,804**

[(1)] See non-U.S. GAAP measures for definition of: adjusted debt; adjusted book value; adjusted debt, including 50% of subordinated debentures and perpetual bonds; and adjusted book value, including unrealized foreign currency translation gains (losses) and pension liability adjustment

[(2)] Adjusted capitalization ex-AOCI is the sum of adjusted debt, including 50% of subordinated debentures and perpetual bonds, plus adjusted book value

[(3)] Adjusted capitalization is sum of adjusted debt, including 50% of subordinated debentures and perpetual bonds, plus adjusted book value, including unrealized foreign currency translation gains (losses) and pension liability adjustment

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

Insurer Financial Strength Ratings

	AM Best	Moody's	S&P	JCR	R&I
U.S. Operating Companies					
Aflac of Columbus	A+	Aa3	A+	AA	AA-
Aflac of New York	A+	–	A+	–	–
Continental American Insurance Company	A+	–	–	–	–
Japan Operating Company					
Aflac Life Insurance Japan Ltd.	A+	Aa3	A+	AA	AA-

Issuer Credit Ratings

	AM Best	Moody's	S&P	JCR	R&I
Aflac Incorporated					
Long-term Senior Debt	a-	A3	A-	A+	A
Junior Subordinated Debt	bbb+	Baa1	BBB	–	BBB+
Aflac of Columbus					
Long-term Senior Debt	aa-	–	A+	AA	–
Aflac Life Insurance Japan, Ltd.					
Long-term Senior Debt	aa-	–	A+	AA	–
Subordinated Bonds	–	–	_	AA-	–

The outlook for all ratings assigned by AM Best, Moody's, S&P and JCR is stable.

The outlook for all R&I ratings are positive.

Aflac U.S.

Statements of Pretax Adjusted Earnings

(Before Management Fee)

(In Millions)

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2015	2016	2017	2018	2019	2019	2020	% Change	2019	2020	% Change
Revenues:											
Net premiums											
Gross premiums	$ 5,342	$ 5,452	$ 5,563	$ 5,711	$ 5,818	$ 1,446	$ **1,398**		$ 5,818	$ **5,762**	
Assumed (ceded)	5	2	—	(3)	(11)	(3)	**12**		(11)	**(4)**	
Total net premiums	5,347	5,454	5,563	5,708	5,808	1,443	**1,410**	(2.3)	5,808	**5,758**	(.9)
Adjusted net investment income [(1)]	678	703	721	727	720	180	**182**	1.1	720	**705**	(2.1)
Other income excl. realized foreign exchange gains (losses)	8	10	5	8	22	17	**25**		22	**102**	
Total adjusted revenues	6,033	6,167	6,289	6,443	6,550	1,639	**1,617**	(1.3)	6,550	**6,565**	.2
Benefits and expenses:											
Benefits and claims, net											
Incurred claims -direct	2,514	2,515	2,526	2,560	2,611	655	**644**		2,611	**2,498**	
Incurred claims -assumed (ceded)	—	(1)	(4)	(4)	(5)	(2)	**11**		(5)	**(1)**	
Increase in FPB -direct	359	355	363	331	268	57	**73**		268	**271**	
Increase in FPB -assumed (ceded)	—	—	—	(1)	(2)	(1)	**(1)**		(2)	**(3)**	
Total net benefits and claims	2,873	2,869	2,885	2,887	2,871	709	**727**	2.5	2,871	**2,765**	(3.7)
Amortization of deferred policy acquisition costs	488	497	502	534	573	144	**135**	(6.3)	573	**570**	(.5)
General adjusted expenses	1,571	1,593	1,658	1,736	1,834	510	**569**	11.6	1,834	**1,963**	7.0
Total benefits and expenses	4,932	4,959	5,044	5,158	5,279	1,364	**1,430**	4.8	5,279	**5,297**	.3
Pretax adjusted earnings [(1)]	$ 1,101	$ 1,208	$ 1,245	$ 1,285	$ 1,272	$ 275	$ **187**	(32.0)	$ 1,272	$ **1,268**	(.3)

[(1)] *See non-U.S. GAAP measures for the definition of adjusted earnings and adjusted net investment income*

Balance Sheets

(In Millions)

	December 31,					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Assets:						
Investments and cash	$ 14,340	$ 15,223	$ 15,488	$ 14,518	$ 16,141	$ **17,949**
Receivables, net of allowance for credit losses	545	457	505	568	662	**685**
Accrued investment income	184	187	184	178	174	**172**
Deferred policy acquisition costs	3,142	3,228	3,355	3,491	3,544	**3,450**
Other assets	326	358	361	345	424	**608**
Total assets	$ 18,537	$ 19,453	$ 19,893	$ 19,100	$ 20,945	$ **22,864**
Liabilities and Shareholders' Equity:						
Future policy benefits	$ 8,087	$ 8,442	$ 8,806	$ 9,137	$ 9,404	$ **9,674**
Policy and contract claims	1,609	1,652	1,700	1,727	1,779	**2,010**
Unearned premium	118	118	119	116	111	**126**
Deferred income taxes	304	721	982	(397)	51	**235**
Other liabilities	1,453	1,471	1,625	1,577	1,803	**2,016**
Shareholders' equity	6,966	7,049	6,661	6,939	7,796	**8,803**
Total liabilities & shareholders' equity	$ 18,537	$ 19,453	$ 19,893	$ 19,100	$ 20,945	$ **22,864**

Aflac U.S.

Quarterly Statements of Pretax Adjusted Earnings and Percentage Changes

(Restated to conform to current classifications)

(Dollars In Millions)

	Period	Net Earned Premiums	% Change	Adjusted NII [1]	% Change	Total Adjusted Revenues [1]	% Change	Total Benefits	% Change	Amort.	% Change	General Adjusted Expenses	% Change	Total Adjusted Expenses	% Change	Pretax Adjusted Earn. [1]	% Change
	2015	5,347	2.6	678	5.1	6,033	3.0	2,873	.7	488	6.3	1,571	6.6	2,059	6.5	1,101	2.6
	2016	5,454	2.0	703	3.7	6,167	2.2	2,869	(.1)	497	1.8	1,593	1.4	2,090	1.5	1,208	9.7
	2017	5,563	2.0	721	2.6	6,289	2.0	2,885	.6	502	1.0	1,658	4.1	2,159	3.3	1,245	3.1
	2018	5,708	2.6	727	.8	6,443	2.4	2,887	.1	534	6.4	1,736	4.7	2,271	5.2	1,285	3.2
	2019	5,808	1.8	720	(1.0)	6,550	1.7	2,871	(.6)	573	7.3	1,834	5.6	2,407	6.0	1,272	(1.0)
	2020	**5,758**	**(.9)**	**705**	**(2.1)**	**6,565**	**.2**	**2,765**	**(3.7)**	**570**	**(.5)**	**1,963**	**7.0**	**2,532**	**5.2**	**1,268**	**(.3)**
2018	1	1,427	2.7	175	(1.7)	1,604	2.2	697	(1.8)	146	4.3	425	3.9	571	4.0	337	8.7
	2	1,426	2.7	182	1.1	1,610	2.5	744	4.1	123	6.0	403	(1.5)	526	.2	340	3.0
	3	1,426	2.4	187	3.3	1,616	2.6	722	(1.2)	133	14.7	426	3.4	560	6.1	334	5.7
	4	1,428	2.7	183	.5	1,613	2.4	724	(.7)	132	.8	482	12.9	614	10.0	274	(4.9)
2019	1	1,461	2.4	177	1.1	1,640	2.2	721	3.4	159	8.9	438	3.1	596	4.4	323	(4.2)
	2	1,459	2.3	180	(1.1)	1,641	1.9	732	(1.6)	131	6.5	440	9.2	571	8.6	338	(.6)
	3	1,445	1.3	183	(2.1)	1,630	.9	710	(1.7)	139	4.5	446	4.7	585	4.5	335	.3
	4	1,443	1.1	180	(1.6)	1,639	1.6	709	(2.1)	144	9.1	510	5.8	654	6.5	275	.4
2020	1	1,483	1.5	177	—	1,687	2.9	713	(1.1)	160	.6	488	11.4	648	8.7	326	.9
	2	1.458	(.1)	172	(4.4)	1,656	.9	646	(11.7)	134	2.3	450	2.3	584	2.3	426	26.0
	3	1,407	(2.6)	175	(4.4)	1,606	(1.5)	679	(4.4)	141	1.4	456	2.2	597	2.1	329	(1.8)
	4	**1,410**	**(2.3)**	**182**	**1.1**	**1,617**	**(1.3)**	**727**	**2.5**	**135**	**(6.3)**	**569**	**11.6**	**703**	**7.5**	**187**	**(32.0)**

[1] *See non-U.S. GAAP measures for definition of adjusted net investment income and adjusted earnings*

Operating Ratios
(Before Management Fee)

	Period	12-Mo. Rolling Premium Persistency	Tot. Ben./ Premium	Amort./ Premium	Total Adjusted Expenses/ Total Adj. Rev.	Combined Ratio/ Total Adj. Rev.	Pretax Profit Margin [1]
	2015	77.3	53.7	9.1	34.1	81.7	18.3
	2016	78.3	52.6	9.1	33.9	80.4	19.6
	2017	78.4	51.9	9.0	34.3	80.2	19.8
	2018	78.7	50.6	9.4	35.2	80.1	19.9
	2019	77.7	49.4	9.9	36.7	80.6	19.4
	2020	**79.3**	**48.0**	**9.9**	**38.6**	**80.7**	**19.3**
2018	1	78.5	48.8	10.2	35.6	79.1	21.0
	2	78.6	52.2	8.6	32.7	78.9	21.1
	3	78.3	50.6	9.3	34.7	79.3	20.7
	4	78.7	50.7	9.2	38.1	83.0	17.0
2019	1	78.6	49.3	10.9	36.3	80.3	19.7
	2	78.3	50.2	9.0	34.8	79.4	20.6
	3	78.0	49.1	9.6	35.9	79.4	20.6
	4	77.7	49.1	10.0	39.9	83.2	16.8
2020	1	77.6	48.1	10.8	38.4	80.7	19.3
	2	78.3	44.3	9.2	35.3	74.3	25.7
	3	78.8	48.3	10.0	37.2	79.5	20.5
	4	**79.3**	**51.6**	**9.6**	**43.5**	**88.4**	**11.6**

[1] *See non-U.S. GAAP measures for definition of adjusted earnings*

Aflac U.S. Sales Results

(Dollars In Millions)

Period		Annl. Prem. In Force	% Change	New Annl. Prem. Sales	% Change
	2015	5,760	1.6	1,487	3.7
	2016	5,896	2.4	1,482	(.3)
	2017	6,052	2.6	1,552	4.7
	2018	6,231	3.0	1,601	3.2
	2019	6,301	1.1	1,580	(1.3)
	2020	**6,099**	**(3.2)**	**1,093**	**(30.8)**
2018	1	6,016	2.7	335	.6
	2	6,049	2.8	370	3.9
	3	6,057	2.5	359	3.3
	4	6,231	3.0	537	4.3
2019	1	6,181	2.7	340	1.5
	2	6,186	2.3	362	(2.0)
	3	6,148	1.5	344	(4.2)
	4	6,301	1.1	534	(.7)
2020	1	6,224	.7	323	(5.2)
	2	6,079	(1.7)	161	(55.6)
	3	5,969	(2.9)	221	(35.7)
	4	**6,099**	**(3.2)**	**388**	**(27.2)**

Aflac U.S. Product Mix

(New Annualized Premium Sales, Dollars in Millions)

Period		STD	% of Total	Life	% of Total	Accident	% of Total	Critical Care[1]	% of Total	Hospital Indemnity	% of Total	Dental/ Vision	% of Total	Total
2015		345	23.2	78	5.2	444	29.9	326	21.9	217	14.6	77	5.2	1,487
2016		348	23.5	76	5.1	437	29.5	327	22.1	219	14.8	75	5.0	1,482
2017		356	22.9	78	5.0	456	29.4	354	22.8	229	14.8	79	5.1	1,552
2018		363	22.7	88	5.5	468	29.2	354	22.1	253	15.8	75	4.7	1,601
2019		355	22.5	97	6.1	450	28.5	346	21.9	263	16.6	69	4.4	1,580
2020		**243**	**22.3**	**80**	**7.3**	**285**	**26.1**	**242**	**22.2**	**197**	**18.0**	**45**	**4.1**	**1,093**
2018	1	77	23.0	18	5.4	98	29.3	74	22.1	50	14.9	18	5.3	335
	2	87	23.5	21	5.7	109	29.5	77	20.8	56	15.1	20	5.4	370
	3	84	23.3	21	5.8	107	29.7	74	20.6	56	15.6	18	5.0	359
	4	115	21.3	28	5.3	154	28.6	130	24.2	91	17.0	19	3.6	537
2019	1	80	23.6	22	6.6	98	28.7	71	20.9	52	15.2	17	5.0	340
	2	86	23.8	23	6.4	104	28.7	72	19.9	58	16.0	19	5.2	362
	3	78	22.6	22	6.4	100	29.0	72	20.9	55	16.1	17	5.0	344
	4	111	20.8	29	5.4	148	27.8	131	24.5	97	18.3	17	3.2	534
2020	1	73	22.6	25	7.7	88	27.3	68	21.1	55	16.9	14	4.4	323
	2	38	23.9	14	8.6	41	25.7	33	20.6	28	17.1	7	4.1	161
	3	54	24.2	16	7.1	58	26.4	45	20.5	37	16.8	11	5.0	221
	4	**79**	**20.4**	**26**	**6.6**	**98**	**25.2**	**95**	**24.5**	**77**	**20.0**	**13**	**3.3**	**388**

Aflac U.S. Sales Force Data

Period		Recruited Agents Career	Recruited Agents Broker	Recruited Agents Total	Average Weekly Producer Equivalents	Productivity (Production/ Avg. Weekly Producers)
2015		18,649	2,826	21,475	9,252	160,687
2016		16,167	2,425	18,592	9,061	163,501
2017		16,817	3,073	19,890	8,808	176,183
2018		15,774	3,380	19,154	8,531	187,720
2019		15,227	3,603	18,830	8,184	193,120
2020		**11,826**	**1,861**	**13,687**	**5,655**	**184,706**
2018	1	3,849	755	4,604	8,276	40,501
	2	4,287	797	5,084	8,513	43,418
	3	4,144	769	4,913	8,253	43,558
	4	3,493	1,059	4,552	9,082	59,146
2019	1	3,353	1,028	4,381	8,199	41,489
	2	4,093	890	4,983	8,121	44,613
	3	4,186	799	4,985	7,805	44,132
	4	3,594	886	4,480	8,610	61,996
2020	1	3,436	494	3,930	7,411	43,517
	2	2,190	381	2,571	4,252	37,814
	3	3,136	486	3,622	5,485	40,367
	4	**3,064**	**500**	**3,564**	**6,523**	**59,533**

[1] Includes cancer, critical illness, and hospital intensive care products

Statements of Pretax Adjusted Earnings

(Before Management Fee)

(In Millions)

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2015	2016	2017	2018	2019	2019	2020	% Change	2019	2020	% Change
Revenues:											
Net premiums											
Gross premiums	¥ 1,520,403	¥ 1,534,961	¥ 1,493,299	¥ 1,468,894	¥ 1,450,586	¥ 360,164	¥ **347,148**		¥ 1,450,586	¥ **1,409,134**	
Assumed (ceded)	(62,710)	(65,456)	(62,873)	(60,198)	(57,974)	(14,406)	**(13,373)**		(57,974)	**(55,926)**	
Total net premiums	1,457,693	1,469,505	1,430,426	1,408,697	1,392,612	345,758	**333,775**	(3.5)	1,392,612	**1,353,208**	(2.8)
Net investment income:											
Yen denominated	148,500	146,180	145,114	141,575	142,473	34,998	**33,879**	(3.2)	142,473	**138,397**	(2.9)
US$ denominated	146,357	131,473	131,168	149,801	157,717	39,477	**46,788**	18.5	157,717	**167,541**	6.2
Net investment income	294,857	277,653	276,282	291,377	300,191	74,475	**80,667**	8.3	300,191	**305,938**	1.9
Amortized hedge costs on foreign investments [(1)]	(8,666)	(20,804)	(24,528)	(25,858)	(28,938)	(7,409)	**(5,612)**	(24.3)	(28,938)	**(22,816)**	(21.2)
Adjusted net investment income [(1)]	286,191	256,849	251,754	265,519	271,253	67,066	**75,054**	11.9	271,253	**283,122**	4.4
Other income excl. realized foreign currency gains (losses)	3,723	4,297	4,640	4,636	4,869	1,123	**952**		4,869	**4,497**	
Total adjusted revenues	1,747,607	1,730,651	1,686,820	1,678,852	1,668,734	413,947	**409,782**	(1.0)	1,668,734	**1,640,827**	(1.7)
Benefits and expenses:											
Benefits and claims, net											
Incurred claims -direct	658,123	679,996	710,251	724,556	727,491	180,147	**180,874**		727,491	**734,471**	
Incurred claims -assumed (ceded)	(52,915)	(56,422)	(55,691)	(51,892)	(45,657)	(10,947)	**(8,377)**		(45,657)	**(37,806)**	
Increase in FPB -direct	451,610	445,933	366,376	313,343	292,444	74,349	**60,518**		292,444	**260,200**	
Increase in FPB -assumed (ceded)	(3,344)	(2,602)	(1,557)	(2,000)	(6,497)	(1,601)	**(3,029)**		(6,497)	**(11,377)**	
Total net benefits and claims	1,053,474	1,066,905	1,019,378	984,007	967,782	241,948	**229,986**	(4.9)	967,782	**945,487**	(2.3)
Amortization of deferred policy acquisition costs	69,902	69,839	70,670	78,459	77,286	18,612	**17,277**	(7.2)	77,286	**68,818**	(11.0)
General adjusted expenses	248,773	252,316	253,131	262,184	268,864	71,231	**76,934**	8.0	268,864	**278,642**	3.6
Total benefits and expenses	1,372,149	1,389,060	1,343,180	1,324,651	1,313,932	331,791	**324,198**	(2.3)	1,313,932	**1,292,947**	(1.6)
Pretax adjusted earnings [(1)]	¥ 375,458	¥ 341,591	¥ 343,640	¥ 354,201	¥ 354,802	¥ 82,156	¥ **85,585**	4.2	¥ 354,802	¥ **347,881**	(2.0)

[(1)] See non-U.S. GAAP measures for the definition of amortized hedge costs/income, adjusted earnings and adjusted net investment income

Statements of Pretax Adjusted Earnings

(Before Management Fee)

(In Millions)

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2015	2016	2017	2018	2019	2019	2020	% Change	2019	2020	% Change
Revenues:											
Net premiums											
Gross premiums	$ 12,563	$ 14,140	$ 13,312	$ 13,307	$ 13,304	$ 3,312	$ **3,322**		$ 13,304	$ **13,193**	
Assumed (ceded)	(517)	(603)	(561)	(546)	(532)	(132)	**(128)**		(532)	**(524)**	
Total net premiums	12,046	13,537	12,752	12,762	12,772	3,179	**3,194**	.5	12,772	**12,670**	(.8)
Net investment income [(1)]											
Yen denominated	1,227	1,346	1,294	1,283	1,307	322	**324**	.6	1,307	**1,296**	(.8)
US$ denominated	1,209	1,208	1,169	1,356	1,446	362	**447**	23.5	1,446	**1,569**	8.5
Net investment income	2,436	2,554	2,463	2,639	2,753	684	**771**	12.7	2,753	**2,865**	4.1
Amortized hedge costs on foreign investments [(2)]	(72)	(186)	(228)	(236)	(257)	(66)	**(51)**	(22.7)	(257)	**(206)**	(19.8)
Adjusted net investment income [(2)]	2,364	2,368	2,235	2,403	2,496	618	**721**	16.7	2,496	**2,659**	6.5
Other income excl. realized foreign currency gains (losses)	31	40	41	41	45	10	**9**		45	**42**	
Total adjusted revenues	14,441	15,945	15,028	15,206	15,313	3,808	**3,923**	3.0	15,313	**15,371**	.4
Benefits and expenses:											
Benefits and claims, net											
Incurred claims -direct	5,438	6,265	6,332	6,566	6,671	1,657	**1,731**		6,671	**6,875**	
Incurred claims -assumed (ceded)	(436)	(519)	(497)	(471)	(419)	(101)	**(80)**		(419)	**(354)**	
Increase in FPB -direct	3,731	4,106	3,265	2,836	2,684	684	**579**		2,684	**2,437**	
Increase in FPB -assumed (ceded)	(28)	(24)	(14)	(18)	(60)	(15)	**(29)**		(60)	**(107)**	
Total net benefits and claims	8,705	9,828	9,087	8,913	8,877	2,225	**2,200**	(1.1)	8,877	**8,851**	(.3)
Amortization of deferred policy acquisition costs	578	643	630	710	709	171	**165**	(3.5)	709	**644**	(9.2)
General adjusted expenses	2,055	2,326	2,257	2,374	2,465	654	**736**	12.5	2,465	**2,613**	6.0
Total benefits and expenses	11,338	12,797	11,974	11,998	12,051	3,050	**3,102**	1.7	12,051	**12,108**	.5
Pretax adjusted earnings [(2)]	$ 3,103	$ 3,148	$ 3,054	$ 3,208	$ 3,261	$ 757	$ **821**	8.5	$ 3,261	$ **3,263**	.1

[(1)] Includes the net interest cash flows from derivatives associated with certain investment strategies

[(2)] See non-U.S. GAAP measures for definition of amortized hedge costs/income, adjusted net investment income and adjusted earnings

Balance Sheets

(In Millions)

	December 31,					
	2015	**2016**	**2017**	**2018**	**2019**	**2020**
Assets:						
Investments and cash	¥ 10,763,982	¥ 11,463,613	¥ 11,854,224	¥ 12,031,549	¥ 12,847,994	¥ **13,080,154**
Receivables, net of allowance for credit losses	30,941	24,102	37,692	37,083	28,219	**20,782**
Accrued investment income	69,957	65,475	64,439	66,350	65,485	**62,722**
Deferred policy acquisition costs	647,642	671,563	695,025	708,638	721,341	**723,579**
Other assets	264,521	339,639	276,050	292,335	308,411	**320,351**
Total assets	¥ 11,777,043	¥ 12,564,392	¥ 12,927,431	¥ 13,135,956	¥ 13,971,450	¥ **14,207,588**
Liabilities and Shareholders' Equity:						
Future policy benefits	¥ 7,507,247	¥ 7,955,244	¥ 8,323,560	¥ 8,637,152	¥ 8,924,868	¥ **9,175,501**
Policy and contract claims	264,473	278,697	304,248	317,043	315,477	**328,778**
Unearned premiums	933,347	791,992	659,977	552,419	453,133	**361,010**
Other policyholders' funds	758,043	775,746	784,117	793,148	801,588	**808,429**
Income taxes (prim. deferred)	476,124	545,640	431,949	510,528	618,901	**478,969**
Other liabilities	200,639	316,241	150,143	194,949	357,135	**253,219**
Shareholders' equity	1,637,170	1,900,832	2,273,438	2,130,718	2,500,349	**2,801,682**
Total liabilities & shareholders' equity	¥ 11,777,043	¥ 12,564,392	¥ 12,927,431	¥ 13,135,956	¥ 13,971,450	¥ **14,207,588**

Balance Sheets

(In Millions)

	December 31,					
	2015	2016	2017	2018	2019	2020
Assets:						
Investments and cash	$ 89,246	$ 98,409	$ 104,905	$ 108,392	$ 117,269	**$ 126,378**
Receivables, net of allowance for credit losses	256	207	334	334	258	**201**
Accrued investment income	580	562	570	598	598	**606**
Deferred policy acquisition costs	5,370	5,765	6,150	6,384	6,584	**6,991**
Other assets	2,194	2,915	2,443	2,634	2,815	**3,095**
Total assets	$ 97,646	$ 107,858	$ 114,402	$ 118,342	$ 127,523	**$ 137,271**
Liabilities and Shareholders' Equity:						
Future policy benefits	$ 62,244	$ 68,291	$ 73,661	$ 77,812	$ 81,461	**$ 88,652**
Policy and contract claims	2,193	2,392	2,692	2,856	2,879	**3,177**
Unearned premiums	7,739	6,799	5,840	4,977	4,136	**3,488**
Other policyholders' funds	6,284	6,659	6,939	7,145	7,316	**7,811**
Income taxes (prim. deferred)	3,948	4,684	3,823	4,601	5,650	**4,630**
Other liabilities	1,664	2,715	1,328	1,756	3,260	**2,447**
Shareholders' equity	13,574	16,318	20,119	19,194	22,820	**27,068**
Total liabilities & shareholders' equity	$ 97,646	$ 107,858	$ 114,402	$ 118,342	$ 127,523	**$ 137,271**

Aflac Japan

Quarterly Statements of Pretax Adjusted Earnings and Percentage Changes

(Yen In Millions)

Period	Net Earned Premiums	% Change	Adjusted NII [1]	% Change	Total Adjusted Revenues [1]	% Change	Total Benefits	% Change	Amort.	% Change	General Adjusted Expense	% Change	Total Adjusted Expense	% Change	Pretax Adjusted Earn. [1]	% Change
2015	1,457,693	(.4)	286,191	3.0	1,747,607	.2	1,053,474	(1.0)	69,902	2.0	248,773	(.6)	318,675	—	375,458	4.0
2016	1,469,505	.8	256,849	(10.3)	1,730,651	(1.0)	1,066,905	1.3	69,839	(.1)	252,316	1.4	322,155	1.1	341,591	(9.0)
2017	1,430,426	(2.7)	251,754	(2.0)	1,686,820	(2.5)	1,019,378	(4.5)	70,670	1.2	253,131	.3	323,801	.5	343,640	.6
2018	1,408,697	(1.5)	265,519	5.5	1,678,852	(.5)	984,007	(3.5)	78,460	11.0	262,183	3.6	340,642	5.2	354,201	3.1
2019	1,392,612	(1.1)	271,253	2.2	1,668,734	(.6)	967,782	(1.6)	77,286	(1.5)	268,864	2.5	346,150	1.6	354,802	.2
2020	**1,353,208**	**(2.8)**	**283,122**	**4.4**	**1,640,827**	**(1.7)**	**945,487**	**(2.3)**	**68,818**	**(11.0)**	**278,642**	**3.6**	**347,459**	**.4**	**347,881**	**(2.0)**
2018 1	353,319	(2.6)	63,669	—	418,170	(2.2)	248,460	(4.4)	18,200	3.7	63,121	.9	81,321	1.6	88,388	.9
2	351,900	(1.7)	66,136	6.4	419,268	(.5)	243,927	(3.3)	19,627	5.5	64,431	3.7	84,058	4.1	91,283	3.6
3	352,042	(.9)	67,691	8.3	420,862	.4	248,785	(2.6)	20,232	17.3	67,424	6.6	87,656	8.9	84,420	1.4
4	351,436	(.8)	68,023	7.2	420,552	.4	242,835	(3.5)	20,401	18.0	67,207	3.1	87,607	6.2	90,110	6.4
2019 1	350,397	(.8)	67,120	5.4	418,776	.1	242,250	(2.5)	20,022	10.0	64,634	2.4	84,656	4.1	91,870	3.9
2	348,586	(.9)	66,688	.8	416,487	(.7)	240,105	(1.6)	19,484	(.7)	65,695	2.0	85,179	1.3	91,203	(.1)
3	347,870	(1.2)	70,380	4.0	419,524	(.3)	243,479	(2.1)	19,168	(5.3)	67,304	(.2)	86,472	(1.4)	89,573	6.1
4	345,758	(1.6)	67,066	(1.4)	413,947	(1.6)	241,948	(.4)	18,612	(8.8)	71,231	6.0	89,843	2.6	82,156	(8.8)
2020 1	343,054	(2.1)	69,812	4.0	414,045	(1.1)	238,148	(1.7)	18,842	(5.9)	64,098	(.8)	82,939	(2.0)	92,958	1.2
2	339,891	(2.5)	68,036	2.0	409,126	(1.8)	237,328	(1.2)	16,697	(14.3)	64,950	(1.1)	81,648	(4.1)	90,150	(1.2)
3	336,488	(3.3)	70,219	(.2)	407,874	(2.8)	240,025	(1.4)	16,001	(16.5)	72,660	8.0	88,661	2.5	79,188	(11.6)
4	**333,775**	**(3.5)**	**75,054**	**11.9**	**409,782**	**(1.0)**	**229,986**	**(4.9)**	**17,277**	**(7.2)**	**76,934**	**8.0**	**94,211**	**4.9**	**85,585**	**4.2**

[1] *See non-U.S. GAAP measures for definition of adjusted net investment income and adjusted earnings*

Operating Ratios
(Before Management Fee)

	Period	12-Mo. Rolling Premium Persistency[1]	Tot. Ben./ Premium	Tot. Ben./ Premiums (3rd sector)	Amort./ Premium	Tot. Adj. Expenses/ Total Adj. Rev.	Combined Ratio/ Total Adj. Rev.	Pretax Profit Margin[2]
	2015	95.1	72.3	60.9	4.8	18.2	78.5	21.5
	2016	95.2	72.6	61.1	4.8	18.6	80.3	19.7
	2017	94.9	71.3	60.5	4.9	19.2	79.6	20.4
	2018	94.1	69.9	59.2	5.6	20.3	78.9	21.1
	2019	94.4	69.5	59.3	5.5	20.7	78.7	21.3
	2020	**95.1**	**69.9**	**59.7**	**5.1**	**21.2**	**78.8**	**21.2**
2018	1	94.8	70.3	59.5	5.2	19.4	78.9	21.1
	2	94.6	69.3	58.5	5.6	20.0	78.2	21.8
	3	94.4	70.7	60.4	5.7	20.8	79.9	20.1
	4	94.1	69.1	58.5	5.8	20.8	78.6	21.4
2019	1	94.0	69.1	58.4	5.7	20.2	78.1	21.9
	2	94.1	68.9	58.5	5.6	20.5	78.1	21.9
	3	94.2	70.0	60.0	5.5	20.6	78.6	21.4
	4	94.4	70.0	60.1	5.4	21.7	80.2	19.8
2020	1	94.5	69.4	59.0	5.5	20.0	77.5	22.5
	2	94.8	69.8	59.6	4.9	20.0	78.0	22.0
	3	95.0	71.3	61.7	4.8	21.7	80.6	19.4
	4	**95.1**	**68.9**	**58.6**	**5.2**	**23.0**	**79.1**	**20.9**

[1] Premium persistency presented on a 12-month rolling basis for all periods, rather than year to date
[2] See non-U.S. GAAP measures for definition of adjusted earnings

Aflac Japan Sales Results

(Yen In Millions, unless otherwise noted)

	Period	Annl. Prem. In Force (Billions)	% Change	Third Sector New Annl. Prem. Sales	% Change	Total New Annual. Premium Sales	% Change
	2015	1,617.7	1.5	80,676	13.4	120,855	5.5
	2016	1,606.1	(.7)	83,992	4.1	113,721	(5.9)
	2017	1,552.2	(3.4)	87,417	4.1	94,851	(16.6)
	2018	1,527.1	(1.6)	88,813	1.6	95,894	1.1
	2019	1,489.3	(2.5)	72,836	(18.0)	79,697	(16.9)
	2020	**1,426.5**	**(4.2)**	**45,110**	**(38.1)**	**50,852**	**(36.2)**
2018	1	1,542.6	(2.7)	17,602	(10.4)	19,180	(13.0)
	2	1,540.6	(1.8)	27,453	16.0	28,959	14.0
	3	1,533.1	(1.6)	21,553	(2.6)	23,585	(.7)
	4	1,527.1	(1.6)	22,204	1.0	24,170	2.2
2019	1	1,517.0	(1.7)	17,040	(3.2)	18,797	(2.0)
	2	1,509.5	(2.0)	22,165	(19.3)	23,870	(17.6)
	3	1,449.1	(2.2)	16,832	(21.9)	18,519	(21.5)
	4	1,489.3	(2.5)	16,800	(24.3)	18,511	(23.4)
2020	1	1,474.3	(2.8)	12,486	(26.7)	14,021	(25.4)
	2	1,457.7	(3.4)	8,656	(60.9)	9,827	(58.8)
	3	1,441.9	(.5)	11,167	(33.7)	12,601	(32.0)
	4	**1,426.5**	**(4.2)**	**12,801**	**(23.8)**	**14,404**	**(22.2)**

Aflac Japan Product Mix

(New Annualized Premium Sales, Yen In Billions)

	Period	Cancer	% of Total	Medical	% of Total	Income Support	% of Total	Child Endowment	% of Total	WAYS	% of Total	Ordinary Life Other	% of Total	Other	% of Total	Total
	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	120.9
	2016	53.0	46.6	29.6	26.0	1.4	1.3	7.2	6.4	13.5	11.8	7.0	6.2	1.9	1.7	113.7
	2017	53.0	55.8	32.4	34.1	2.2	2.3	.5	.5	.6	.6	5.6	6.0	.6	.7	94.9
	2018	63.1	65.8	23.9	25.0	1.7	1.8	.3	.3	.5	.5	5.9	6.1	.5	.5	95.9
	2019	47.2	59.2	24.6	31.0	1.0	1.2	.2	.2	.4	.5	5.9	7.4	.4	.5	79.7
	2020	**28.8**	**56.6**	**15.9**	**31.2**	**.5**	**1.0**	**.2**	**.4**	**.4**	**.7**	**4.8**	**9.5**	**.3**	**.6**	**50.9**
2018	1	10.6	55.5	6.5	34.0	.4	2.1	.1	.5	.1	.5	1.2	6.3	.2	1.1	19.2
	2	20.9	72.2	6.2	21.3	.4	1.3	.1	.3	.1	.5	1.2	4.1	.1	.3	29.0
	3	15.5	65.8	5.6	23.6	.5	1.9	.1	.3	.1	.4	1.7	7.5	.1	.5	23.6
	4	16.0	66.3	5.7	23.5	.5	2.0	.1	.3	.1	.4	1.7	7.0	.1	.5	24.2
2019	1	11.2	59.3	5.6	30.0	.3	1.4	.1	.3	.1	.5	1.5	8.0	.1	.5	18.8
	2	15.6	65.3	6.3	26.5	.2	1.0	.1	.2	.1	.4	1.5	6.1	.1	.5	23.9
	3	9.7	52.2	7.0	37.5	.2	1.2	.1	.3	.1	.5	1.4	7.8	.1	.5	18.5
	4	10.8	58.3	5.8	31.2	.2	1.2	—	.2	.1	.5	1.5	7.9	.1	.7	18.5
2020	1	7.8	55.5	4.5	32.4	.2	1.2	—	.3	.1	.6	1.3	9.3	.1	.7	14.0
	2	5.4	54.7	3.2	32.5	.1	.9	—	.4	.1	.8	1.0	10.0	—	.7	9.8
	3	7.0	55.7	4.0	32.0	.1	.9	.1	.4	.1	.8	1.2	9.6	.1	.6	12.6
	4	**8.6**	**59.7**	**4.1**	**28.4**	**.1**	**.8**	**.1**	**.3**	**.1**	**.8**	**1.3**	**9.3**	**.1**	**.7**	**14.4**

Aflac Japan Sales Force Data

		Number of Agencies by Type				Sales Contribution by Agency Type				
	Period	Individual/ Independent Corporate	Affiliated Corporate	Bank	Total	Individual/ Independent Corporate	Affiliated Corporate	Bank	Licensed Sales Associates[1]	Recruited Agencies
	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
	2017	9,492	1,455	374	11,321	42.8	52.0	5.2	109,197	174
	2018	8,453	1,392	371	10,216	40.1	55.3	4.6	109,482	85
	2019	7,683	1,343	367	9,393	45.7	50.0	4.3	109,265	77
	2020	**7,231**	**1,312**	**361**	**8,904**	**52.3**	**42.6**	**5.1**	**111,886**	**48**
2018	1	9,226	1,444	372	11,042	43.3	52.0	4.7	108,752	28
	2	8,970	1,420	371	10,761	38.2	58.3	3.5	108,581	16
	3	8,706	1,406	371	10,483	38.7	55.3	6.0	108,722	23
	4	8,453	1,392	371	10,216	41.4	54.1	4.5	109,482	18
2019	1	8,257	1,380	369	10,006	46.1	49.4	4.5	108,485	20
	2	8,087	1,366	369	9,822	39.2	57.8	3.0	109,154	13
	3	7,875	1,356	367	9,598	48.1	46.3	5.6	109,121	24
	4	7,683	1,343	367	9,393	51.2	44.3	4.5	109,265	20
2020	1	7,537	1,332	364	9,233	52.8	42.7	4.5	110,129	17
	2	7,426	1,329	364	9,119	53.8	42.8	3.4	109,850	5
	3	7,312	1,317	364	8,993	51.7	41.4	6.9	111,016	19
	4	**7,231**	**1,312**	**361**	**8,904**	**51.3**	**43.4**	**5.3**	**111,886**	**7**

[1] *Excludes Dai-ichi Life, banks, Japan Post Group and Daido Life*

Yen/Dollar Exchange Rates

Period		Closing Rate[(1)]	Qtr Avg	Yearly Cum Avg	% Change
	2015	120.61	N/A	120.99	(12.8)
	2016	116.49	N/A	108.70	11.3
	2017	113.00	N/A	112.16	(3.1)
	2018	111.00	N/A	110.39	1.6
	2019	109.56	N/A	109.07	1.2
	2020	**103.50**	**N/A**	**106.86**	**2.1**
2018	1	106.24	108.05	108.05	5.1
	2	110.54	109.14	108.61	3.4
	3	113.57	111.48	109.54	2.1
	4	111.00	112.87	110.39	1.6
2019	1	110.99	110.24	110.24	(2.0)
	2	107.79	109.94	110.09	(1.3)
	3	107.92	107.31	109.16	.3
	4	109.56	108.79	109.07	1.2
2020	1	108.83	108.84	108.84	1.3
	2	107.74	107.65	108.25	1.7
	3	105.80	106.23	107.63	1.4
	4	**103.50**	**104.57**	**106.86**	**2.1**

(1) Closing rate is based on the latest available and published MUFG Bank Ltd. TTM mid-day exchange rate.

Corporate and Other

Statements of Pretax Adjusted Earnings
(Before Management Fee)
(In Millions)

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2015	2016	2017	2018	2019	2019	2020	% Change	2019	2020	% Change
Revenues:											
Total premiums	$ 178	$ 234	$ 216	$ 208	$ 200	$ 49	**$ 49**	—	$ 200	**$ 194**	(3.0)
Net investment income[1]	21	20	35	77	88	23	**21**	(8.7)	88	**80**	(9.1)
Amortized hedge income [1]	—	—	—	36	89	27	**19**	(29.6)	89	**97**	9.0
Adjusted net investment income [1]	21	20	35	113	177	50	**40**	(20.0)	177	**177**	—
Other income	23	23	21	18	15	7	**3**	(57.1)	15	**13**	(13.3)
Total adjusted revenues	222	277	272	339	393	106	**92**	(13.2)	393	**384**	(2.3)
Benefits and expenses:											
Total net benefits and claims	168	223	209	199	194	50	**46**	(8.0)	194	**180**	(7.2)
Interest expense	146	128	122	120	133	33	**44**	33.3	133	**164**	23.3
Other adjusted expenses	112	165	154	159	137	33	**49**	48.5	137	**155**	13.1
Total benefits and expenses	426	516	486	478	464	116	**139**	19.8	464	**499**	7.5
Pretax adjusted earnings [1]	$ (203)	$ (239)	$ (214)	$ (139)	$ (72)	$ (9)	**$ (47)**	(422.2)	$ (72)	**$ (115)**	(59.7)

[1] See non-U.S. GAAP measures for the definition of amortized hedge cost/income, adjusted net investment income and adjusted earnings

Non-U.S. GAAP Measures

This Financial Analysts Briefing Supplement includes references to Aflac's non-U.S. GAAP performance measures, adjusted earnings, adjusted earnings per diluted share, amortized hedge costs/income, and adjusted book value. These measures are not calculated in accordance with U.S. GAAP. The measures exclude items that the Company believes may obscure the underlying fundamentals and trends in insurance operations because they tend to be driven by general economic conditions and events or related to infrequent activities not directly associated with insurance operations. Management uses adjusted earnings and adjusted earnings per diluted share to evaluate the financial performance of Aflac's insurance operations on a consolidated basis and believes that a presentation of these measures is vitally important to an understanding of the underlying profitability drivers and trends of Aflac's insurance business. The Company considers adjusted earnings per diluted share excluding current period foreign currency impact important because a significant portion of the Company's business is conducted in Japan and foreign exchange rates are outside of management's control; therefore, the Company believes it is important to understand the impact of translating foreign currency (primarily Japanese yen) into U.S. dollars. The Company believes that amortized hedge costs/income, which are a component of adjusted earnings, measure the periodic currency risk management costs/income related to hedging certain foreign currency exchange risks and are an important component of net investment income. The Company considers adjusted book value important as it excludes accumulated other comprehensive income (AOCI), which fluctuates due to market movements that are outside management's control.

The Company defines these non-U.S. GAAP financial measures as follows:

- **Adjusted book value** is the U.S. GAAP book value (representing total shareholders' equity), less AOCI as recorded on the U.S. GAAP balance sheet. The most comparable U.S. GAAP measure is total book value. The Company considers adjusted book value important as it excludes AOCI, which fluctuates due to market movements that are outside management's control.

- **Adjusted book value including unrealized foreign currency translation gains (losses) and pension liability adjustment** is adjusted book value plus unrealized foreign currency translation gains (losses) and pension liability adjustment. The most comparable U.S. GAAP measure is total book value.
- **Adjusted book value including unrealized foreign currency translation gains (losses) per common share** is adjusted book value plus unrealized foreign currency translation gains (losses) divided by the ending outstanding common shares for the period presented. The most comparable U.S. GAAP measure is total book value per common share.
- **Adjusted book value per common share** is the adjusted book value at the period end divided by the ending outstanding common shares for the period presented. The most comparable U.S. GAAP measure is total book value per common share.
- **Adjusted debt** is the sum of notes payable, as recorded on the U.S. GAAP balance sheet, excluding 50% of subordinated debentures and perpetual bonds and all pre-funding of debt maturities. The most comparable U.S. GAAP measure is notes payable.
- **Adjusted debt, including 50% of subordinated debentures and perpetual bonds** is the sum of notes payable, as recorded on the U.S. GAAP balance sheet, excluding pre-funding of debt maturities. The most comparable U.S. GAAP measure is notes payable.
- **Adjusted earnings** is the profits derived from operations. The most comparable U.S. GAAP measure is net earnings. Adjusted earnings are adjusted revenues less benefits and adjusted expenses. The adjustments to both revenues and expenses account for certain items that cannot be predicted or that are outside management's control. Adjusted revenues are U.S. GAAP total revenues excluding net investment gains and losses, except for amortized hedge costs/income related to foreign currency exposure management strategies and net interest cash flows from derivatives associated with certain investment strategies. Adjusted expenses are U.S. GAAP total acquisition and operating expenses including the impact of interest cash flows from derivatives associated with notes payable but excluding any nonrecurring or other items not associated with the normal course of the Company's insurance operations and that do not reflect the Company's underlying business performance.
- **Adjusted earnings excluding current period foreign currency impact** is computed using the average foreign currency exchange rate for the comparable prior-year period, which eliminates fluctuations driven solely by foreign currency exchange rate changes. The most comparable U.S. GAAP measure is net earnings.
- **Adjusted earnings per diluted share excluding current period foreign currency impact** is the adjusted earnings excluding current period foreign currency impact divided by the weighted average outstanding diluted shares for the period presented.The most comparable U.S. GAAP measure is net earnings per share.
- **Adjusted earnings per share (basic or diluted)** are the adjusted earnings for the period divided by the weighted average outstanding shares (basic or diluted) for the period presented. The most comparable U. S. GAAP measure is net earnings per share.
- **Amortized hedge costs/income** represent costs/income incurred or recognized as a result of using foreign currency derivatives to hedge certain foreign exchange risks in the Company's Japan segment or in the Corporate and Other segment. These amortized hedge costs/ income are estimated at the inception of the derivatives based on the specific terms of each contract and are recognized on a straight line basis over the term of the hedge. There is no comparable U.S. GAAP financial measure for amortized hedge costs/ income.

- **Adjusted net investment income** is net investment income adjusted for i). amortized hedge cost/income related to foreign currency exposure management strategies and certain derivative activity and ii). net interest cash flows from foreign currency and interest rate derivatives associated with certain investment strategies, which are reclassified from net investment gains and (losses) to net investment income. The most comparable U.S. GAAP measure is net investment income. The Company considers adjusted net investment income important because it provides a more comprehensive understanding of the costs and income associated with the Company's investments and related hedging strategies.
- **Adjusted return on equity** is the adjusted earnings divided by average shareholders' equity, excluding AOCI. The most comparable U.S. GAAP financial measure is return on average equity (ROE) as determined using net earnings and average total shareholders' equity.