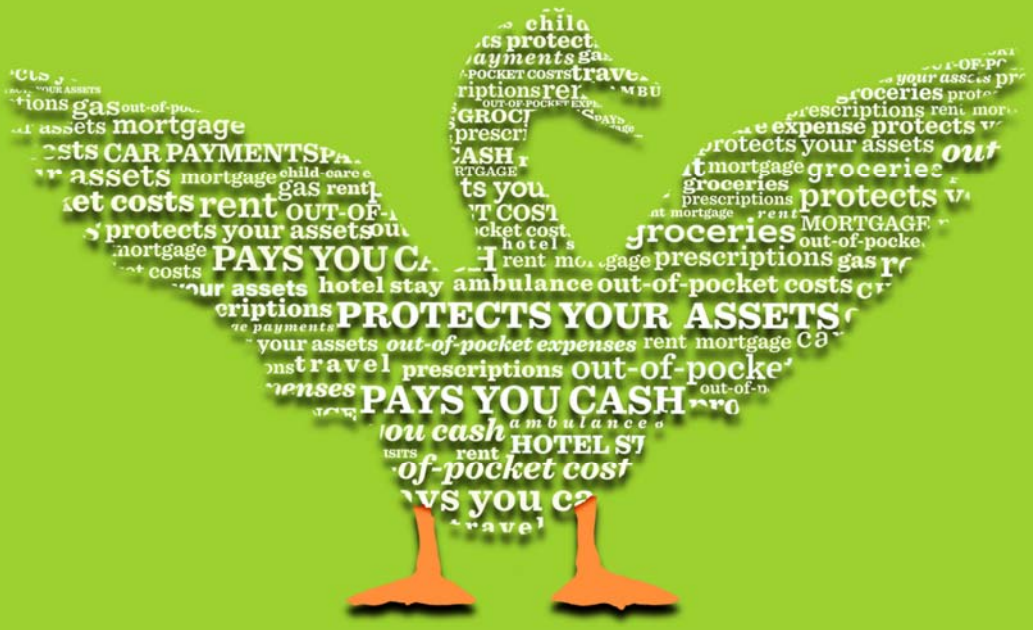
Aflac Incorporated

Presentation Notes for the 41st Annual AIFA Conference



February 29 - March 1 , 2016

For more information contact:
Robin Y. Wilkey
800.235.2667
Fax: 706.324.6330
aflac.com
Aflac Worldwide Headquarters
1932 Wynnton Road
Columbus, GA 31999

FORWARD-LOOKING INFORMATION

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" to encourage companies to provide prospective information, so long as those informational statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those included in the forward-looking statements. We desire to take advantage of these provisions. This document contains cautionary statements identifying important factors that could cause actual results to differ materially from those projected herein, and in any other statements made by company officials in communications with the financial community and contained in documents filed with the Securities and Exchange Commission (SEC).

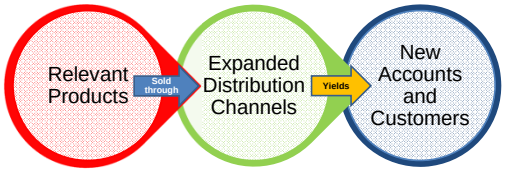
Forward-looking statements are not based on historical information and relate to future operations, strategies, financial results or other developments. Furthermore, forward-looking information is subject to numerous assumptions, risks and uncertainties. In particular, statements containing words such as "expect," "anticipate," "believe," "goal," "objective," "may," "should," "estimate," "intends," "projects," "will," "assumes," "potential," "target" or similar words as well as specific projections of future results, generally qualify as forward-looking. Aflac undertakes no obligation to update such forward-looking statements. We caution readers that the following factors, in addition to other factors mentioned from time to time, could cause actual results to differ materially from those contemplated by the forward-looking statements: difficult conditions in global capital markets and the economy; governmental actions for the purpose of stabilizing the financial markets; defaults and credit downgrades of securities in our investment portfolio; exposure to significant financial and capital markets risk; fluctuations in foreign currency exchange rates; significant changes in investment yield rates; credit and other risks associated with Aflac's investment in perpetual securities; differing judgments applied to investment valuations; significant valuation judgments in determination of amount of impairments taken on our investments; limited availability of acceptable yen-denominated investments; concentration of our investments in any particular single-issuer or sector; concentration of business in Japan; decline in creditworthiness of other financial institutions; deviations in actual experience from pricing and reserving assumptions; subsidiaries' ability to pay dividends to Aflac Incorporated; ineffective risk management policies and procedures; changes in law or regulation by governmental authorities; ability to attract and retain qualified sales associates and employees; decreases in our financial strength or debt ratings; ability to continue to develop and implement improvements in information technology systems; interruption in telecommunication, information technology and other operational systems, or a failure to maintain the security, confidentiality or privacy of sensitive data residing on such systems; changes in U.S. and/or Japanese accounting standards; failure to comply with restrictions on patient privacy and information security; level and outcome of litigation; ability to effectively manage key executive succession; catastrophic events including, but not necessarily limited to, epidemics, pandemics, tornadoes, hurricanes, earthquakes, tsunamis, acts of terrorism and damage incidental to such events; ongoing changes in our industry; events that damage our reputation; increased expenses for pension and other postretirement plans; and failure of internal controls or corporate governance policies and procedures.

Forward-Looking Statement

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" to encourage companies to provide prospective information, so long as those informational statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those included in the forward-looking statements. We desire to take advantage of these provisions. This document contains cautionary statements identifying important factors that could cause actual results to differ materially from those projected herein, and in any other statements made by company officials in communications with the financial community and contained in documents filed with the Securities and Exchange Commission (SEC).

Forward-looking statements are not based on historical information and relate to future operations, strategies, financial results or other developments. Furthermore, forward-looking information is subject to numerous assumptions, risks and uncertainties. In particular, statements containing words such as "expect," "anticipate," "believe," "goal," "objective," "may," "should," "estimate," "intends," "projects," "will," "assumes," "potential," "target" or similar words as well as specific projections of future results, generally qualify as forward-looking. Aflac undertakes no obligation to update such forward-looking statements. We caution readers that the following factors, in addition to other factors mentioned from time to time, could cause actual results to differ materially from those contemplated by the forward-looking statements: difficult conditions in global capital markets and the economy; governmental actions for the purpose of stabilizing the financial markets; defaults and credit downgrades of securities in our investment portfolio; impairment of financial institutions; credit and other risks associated with Aflac's investment in perpetual securities; differing judgments applied to investment valuations; significant valuation judgments in determination of amount of impairments taken on our investments; limited availability of acceptable yen-denominated investments; concentration of our investments in any particular single-issuer or sector; concentration of business in Japan; ongoing changes in our industry; exposure to significant financial and capital markets risk; fluctuations in foreign currency exchange rates; significant changes in investment yield rates; deviations in actual experience from pricing and reserving assumptions; subsidiaries' ability to pay dividends to Aflac Incorporated; changes in law or regulation by governmental authorities; ability to attract and retain qualified sales associates and employees; decreases in our financial strength or debt ratings; ability to continue to develop and implement improvements in information technology systems; changes in U.S. and/or Japanese accounting standards; failure to comply with restrictions on patient privacy and information security; level and outcome of litigation; ability to effectively manage key executive succession; impact of the recent earthquake and tsunami natural disaster and related events at the nuclear plant in Japan and their aftermath; catastrophic events including, but not necessarily limited to, tornadoes, hurricanes, earthquakes, tsunamis, and damage incidental to such events; and failure of internal controls or corporate governance policies and procedures.

Aflac's Strategy for Growth



Protecting Against:
- Asset loss
- Income loss
- Supplemental medical expenses

Reaching Customers at:
- The worksite
- Home
- Retail locations

Insuring:
- More than 50 million people

NYSE: AFL

Aflac's Unique Supplemental Products

- Offer protection based on qualifying event
- Pay cash benefits directly to insureds
- Fixed benefits; not subject to inflation

NYSE: AFL

Aflac Japan






NYSE: AFL

Aflac Japan's Product Line

First Sector	Third Sector
Life insurance products, including: • Life » Term » Whole » Hybrid (WAYS) » Child Endowment • Fixed Annuity	Supplemental insurance products, including: • Cancer • Medical

NYSE: AFL

Aflac Japan Distribution

- Traditional Agencies
  - » Affiliated Corporate
  - » Individual/Independent Corporate
- Strategic Alliances
  - » Dai-ichi Life
  - » Bank Channel
  - » Japan Post and Kampo
  - » Daido Life

NYSE: AFL

Promotion Strategy

Corporate icon



Product icons

EVER (medical)



DAYS (cancer)





NYSE: AFL

Aflac Japan Performance

(Twelve Months Ended December 31, In Yen)

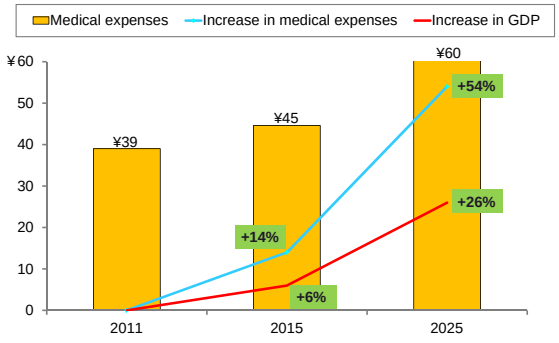
	2014 Results	2015 Results
Third sector sales	6.1%	13.4%
Total revenues	1.3	.5
Benefit ratio	60.9	60.0
Expense ratio	18.2	18.1
Pretax profit margin	20.9	21.9
Premium persistency	94.7	94.9

NYSE: AFL

Growth Opportunities in Japan

Japan's National Medical Expenses

(In Trillions)



Source: Ministry of Health, Labor and Welfare, 12/11

NYSE: AFL

Aflac U.S.









NYSE: AFL

Aflac U.S. Product Line*

- Income-loss protection
  - Disability (short-term)
  - Life (term, whole-life)
  - Life (juvenile)
- Supplemental medical
  - Hospital indemnity
  - Dental
  - Vision
- Asset-loss protection
  - Accident
  - Critical care:
    - Cancer
    - Critical illness

*Cancer, hospital indemnity and vision products are available as individual policies only. Benefits of group and individual policies may vary.

Aflac U.S. Distribution

Channel	Employee Market Segment	Product	Enrollment Conditions
Career Agent	<100	Individual	• Face to face • Self service
Broker	100 - 1,000	Individual / Standard Group	• Agent assisted • Self service • Call center
	>1,000	Custom Group	• Agent assisted • Self service • Call center

NYSE: AFL

Aflac U.S. Branding











NYSE: AFL

Aflac U.S. Performance

(Twelve Months Ended December 31)

	2014 Results	2015 Results
New sales	.7%	3.7%
Total revenues	1.2	3.0
Benefit ratio	48.7	47.6
Expense ratio	33.0	34.1
Pretax profit margin	18.3	18.3
Premium persistency	76.5	76.5

NYSE: AFL

Growth Opportunities in the U.S.

The Business Market

Size of Firm	Number of Firms (000)	Number of Employees (Millions)	% of Total Employees
<100 Workers	5,625	39.8	34.3%
100 - 1,000 Workers	92	22.5	19.5
>1,000 Workers	9	53.6	46.2
Total	5,726	115.9	100.0%

Source: U.S. Census Bureau Tabulations by Enterprise Size, 2012

NYSE: AFL

Consolidated Financial Performance and Capital Management

Aflac Incorporated Financial Performance

(Twelve Months Ended December 31, 2015)

	As Reported	Ex. Yen
Premium income	(7.9)%	1.6%
Net Investment income	(5.6)	(.1)
Benefits and expenses	(8.2)	1.1
Operating earnings	(4.5)	2.5
Operating EPS	–	7.5

NYSE: AFL

Strong Capital Profile

	12/12	12/13	12/14
Aflac RBC ratio	630%	786%	945%
Aflac Japan SMR	669%	774%*	857%

* Revised from 777% on July 31, 2015

NYSE: AFL

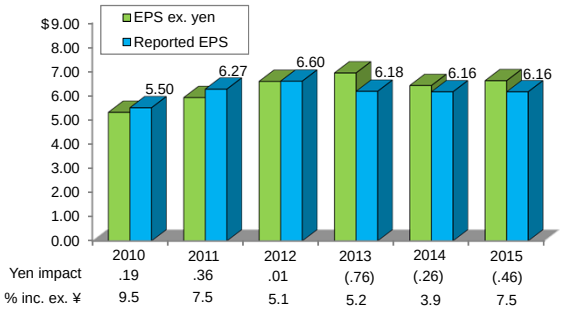
Reconciliation of Operating to Net Earnings Per Diluted Share

	2013	2014	2015
Operating earnings	$6.18	$6.16	$6.16
Reconciling items net of tax:			
Realized gains (losses):			
Sales & impairments	.09	.26	.23
Hedge costs related to foreign currency investments	(.04)	(.05)	(.20)
Other non-operating income	.04	.10	(.40)
Derivatives & hedging	.49	.03	.06
Net earnings	$6.76	$6.50	$5.85

NYSE: AFL

Operating Earnings Per Share

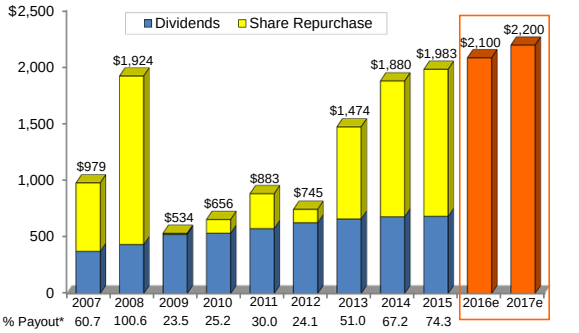
(Diluted Basis, GAAP Basis)



NYSE: AFL

Returning Capital to Shareholders

(In Millions)



*Dividends and share repurchase as percentage of GAAP operating earnings NYSE: AFL

EPS Objective

- For 2016, we expect operating earnings per diluted share of $6.17 - $6.41, excluding the impact of foreign currency

NYSE: AFL

2016 Annual EPS Scenarios

Average Exchange Rate	Annual Operating EPS	% Growth Over 2015	Yen Impact
110	6.49 - 6.73	5.4 - 9.3	.32
115	6.34 - 6.58	2.9 - 6.8	.17
120.99*	6.17 - 6.41	.2 - 4.1	–
125	6.07 - 6.31	(1.5) - 2.4	(.10)
130	5.95 - 6.19	(3.4) - .5	(.22)

* Actual 2015 weighted-average exchange rate

NYSE: AFL

Aflac®