Aflac's 2017 Financial Analysts Briefing Presentation



September 28, 2017

For more information contact:
David A. Young
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 report 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", "outlook" 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; exposure to significant interest rate risk; concentration of business in Japan; foreign currency fluctuations in the yen/dollar exchange rate; failure to execute or implement the conversion of the Japan branch conversion to a legal subsidiary ; limited availability of acceptable yen-denominated investments; deviations in actual experience from pricing and reserving assumptions; ability to continue to develop and implement improvements in information technology systems; governmental actions for the purpose of stabilizing the financial markets; 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; ongoing changes in our industry; failure to comply with restrictions on patient privacy and information security; extensive regulation and changes in law or regulation by governmental authorities; defaults and credit downgrades of our investments; ability to attract and retain qualified sales associates and employees; decline in creditworthiness of other financial institutions; subsidiaries' ability to pay dividends to Aflac Incorporated; decreases in our financial strength or debt ratings; inherent limitations to risk management policies and procedures; concentration of our investments in any particular single-issuer or sector; differing judgments applied to investment valuations; ability to effectively manage key executive succession; significant valuation judgments in determination of amount of impairments taken on our investments; catastrophic events including, but not necessarily limited to, epidemics, pandemics, tornadoes, hurricanes, earthquakes, tsunamis, acts of terrorism and damage incidental to such events; changes in U.S. and/or Japanese accounting standards; loss of consumer trust resulting from events external to our operations; increased expenses and reduced profitability resulting from changes in assumptions for pension and other postretirement benefit plans; level and outcome of litigation; failure of internal controls or corporate governance policies and procedures; and other risks and uncertainties described from time to time in Aflac Incorporated's filings with the SEC.



Forward-Looking Statements

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Non-U.S. GAAP Financial Measures

In this presentation, Aflac Incorporated presents certain financial information that is not calculated in accordance with generally accepted accounting principles in the U.S. ("U.S. GAAP"). These "non-U.S. GAAP financial measures" are meant to be supplemental to the U.S. GAAP measures that Aflac Incorporated presents. Refer to the Appendix for definitions of these used in this presentation.



Strategic Overview of Aflac

Dan Amos
Chairman and Chief Executive Officer,
Aflac and Aflac Incorporated



Produce Long-Term Shareholder Value

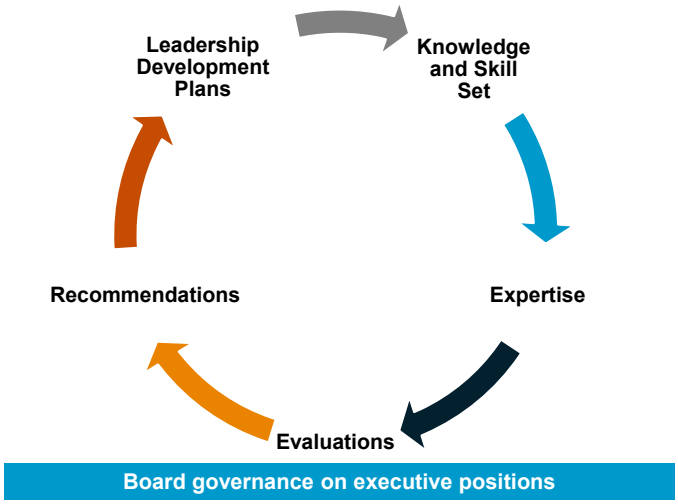
- Generating profitable growth
- Investing in our business
- Advancing a legacy of innovation
- Ensuring sound financial management

Aflac SmartClaim®

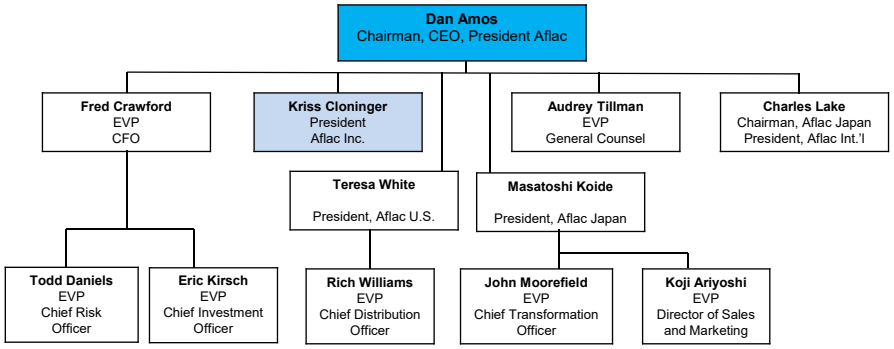
One Day Pay℠



Leadership Development and Succession Planning



AFL Executive Leadership



Key Management Considerations

- Masatoshi Koide transitioned seamlessly into the Aflac Japan President and COO role
- Fred Crawford assumed additional responsibilities including branch conversion and Aflac Corporate Ventures
- Bench strengthened throughout with recent strategic hires in finance, actuarial and U.S. distribution
- Kriss Cloninger will retire as President of Aflac Inc. at year-end and will consult through 2018 as a special advisor

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Overview of Japan's Political Economy

Charles D. Lake II
Chairman, Representative in Japan, Aflac Japan
President, Aflac International

Roadmap

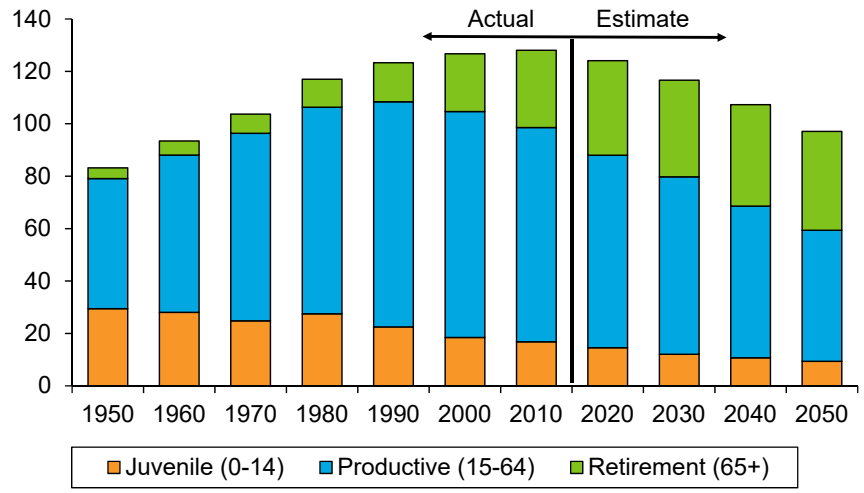
I. Japan's Macro Environment

II. Japan's Political Outlook and Economic Policy

III. FSA's New Regulatory Policy and International Engagement

Japan's Aging Population and Declining Birthrate

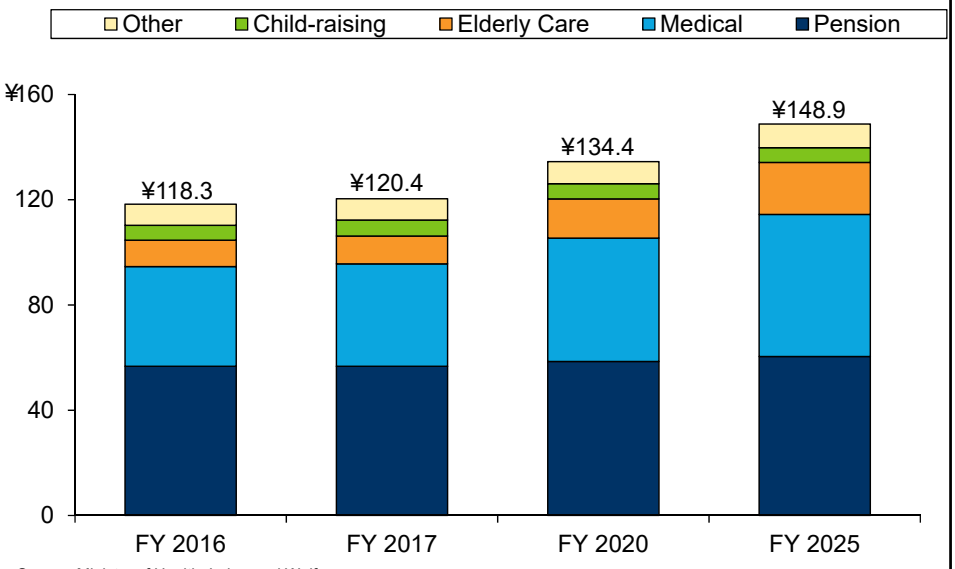
(In Millions)



Source: National Institute of Population and Social Security Research, Future Estimated Population of Japan

Projected Social Security Benefits

(In Trillions)

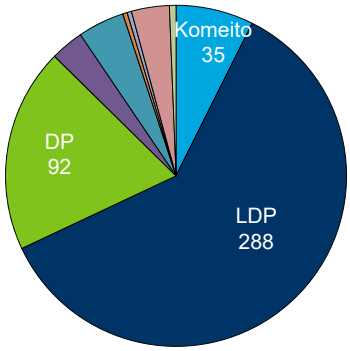


Source: Ministry of Health, Labor and Welfare

Party Representation in the Diet

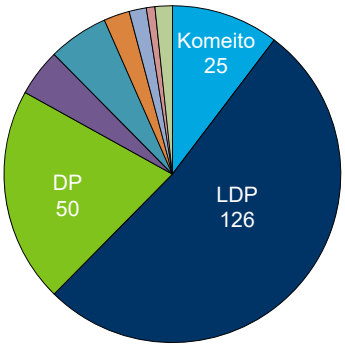
Liberal Democratic Party (LDP) maintains large advantage over opposition parties

House of Representatives (Lower House)



Komeito
Liberal Democratic Party
Democratic Party
Initiatives from Osaka
Japanese Communist Party
People's Life Party
Social Democratic Party
Independents
Vacancies

House of Councillors (Upper House)



Komeito
Liberal Democratic Party
Democratic Party
Initiatives from Osaka
Japanese Communist Party
People's Life Party
Independents
Okinawa Wind
Independents Club

Abenomics Strategy Revisited

- Public policy solutions balanced with political realism



Arrow One: Bold Monetary Policy

- Quantitative and qualitative monetary easing with a negative interest rate and yield curve control

Arrow Two: Flexible Fiscal Policy

- Near-term stimulus to end deflation and achieve mid- to long-term fiscal consolidation

Key to ensuring sustainable economic growth

Arrow Three: Growth Strategy

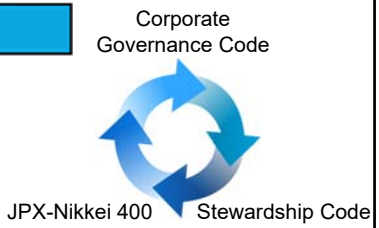
- Comprehensive economic structural reform policy package

The Abenomics Third Arrow

Comprehensive Structural Reform Package

I. Capital efficiency and productivity

- Corporate governance reforms
- Encourage more efficient use of capital, profitability, effective management



II. Deeper economic integration with Asia and Europe through free trade agreements.

- Trans-Pacific Partnership 11
- Japan-EU Economic Partnership Agreement



Source: Japanese Cabinet Office

Womenomics and Labor Reform

Law on Promotion of Women's Participation and Advancement in the Workplace and Action Plan on Work-Style Reform

Key objectives include:

- Increasing women in leadership roles, not just economic participation;
- Improving productivity; and
- Reducing inefficient overtime.

68.1% workforce participation rate for women in Japan.

Integrated Tax, Social Security and Health Care Reform

The Abe Administration aims to enhance Japan's fiscal position

Key measures include:

- Public pension reform
- Health care reform
- Long-term care insurance reform
  - » *Increase of out-of-pocket co-pay percentage from 20% to 30% for certain high-income participants*
  - » *Increase of maximum monthly out-of-pocket expenses for high-income elderly patients*
- Corporate tax reduction to 29.74% in April 2018
- Consumption tax hike to 10% in October 2019

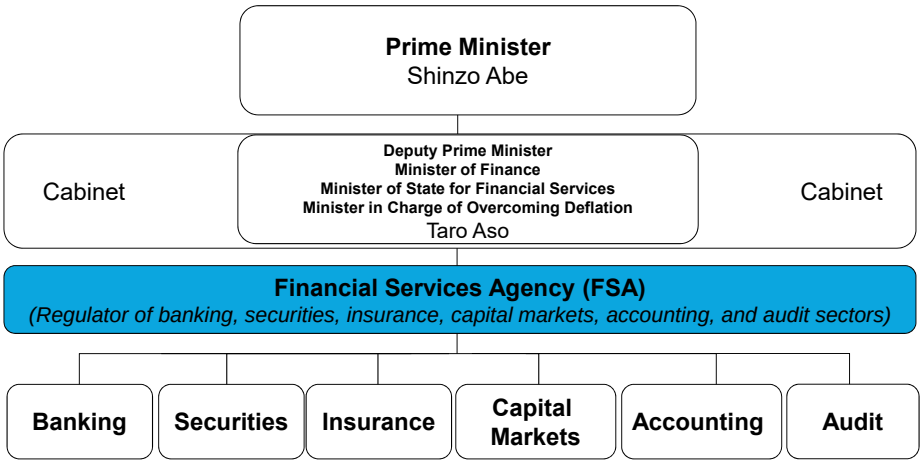
Abenomics Has Produced Results for Japanese Economy

Since Prime Minister Abe took office in December 2012:

Key Metrics		Results	
Inflation *(as of July 2017)*	Far short of **2%** goal	**Corporate profits** *(as of 2Q 2017)*	↑ **75%** *(vs.4Q 2012)*
Economic growth *(as of 2Q 2017)*	Annual GDP growth remains under **2%**	**Stock prices** *(as of end August 2017)*	↑ **89%** *(vs. 4Q 2012)*
		Unemployment *(as of July 2017)*	**2.8%**

Sources: Ministry of Internal Affairs & Communications; Cabinet Office; Ministry of Finance; Nikkei; Ministry of Internal Affairs and Communications Statistics Bureau -- based on latest data publicly available

FSA as Japan's Integrated, Single Financial Regulator

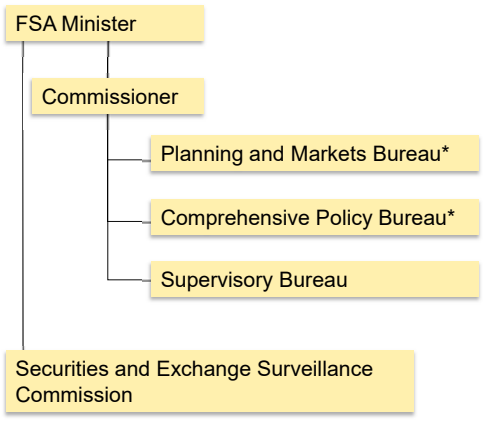


FSA's Historic Policy Change and Organizational Reform

FSA regulators should:

- **Promote** national welfare through sustainable growth
- **Improve** financial and capital market environment, encourage creating shared value
- **Ensure** appropriate consumer protection measures, avoid excessive intervention
- **Embrace** innovation, avoid convoy system

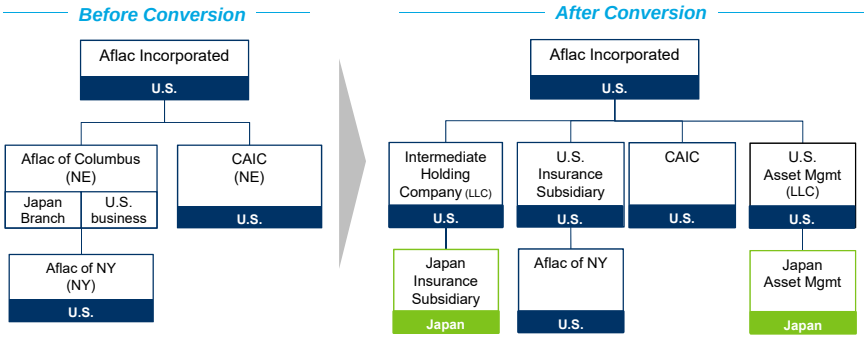
New FSA Structure
(likely effective July 2018)



*Note: Provisional unofficial translation

Aflac Joining “the Herd” of International Insurance Operations

- **Aflac is not** a Global Systemically Important Insurer (G-SII) or an Internationally Active Insurance Group (IAIG).
- **Consistent with global regulatory trends,** Aflac Japan’s conversion to a subsidiary will result in a corporate form comparable to peers in Japan.



5th Annual Aflac Supervisory College

- International supervisory colleges promote constructive joint dialogue with regulators
- Aflac Supervisory College
  - » Nebraska Department of Insurance (DOI) chairs Aflac’s Supervisory College as lead regulator
  - » Japan’s Financial Services Agency participates
  - » Aflac Incorporated, Aflac U.S. and Aflac Japan executive management participate

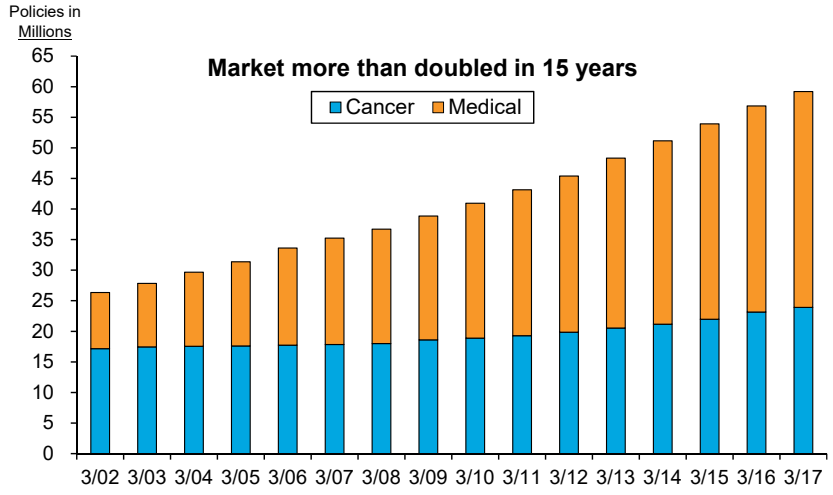


Overview of Aflac Japan

Masatoshi Koide
President and Chief Operating Officer,
Aflac Japan

Opportunity for Growth: Third Sector Policies

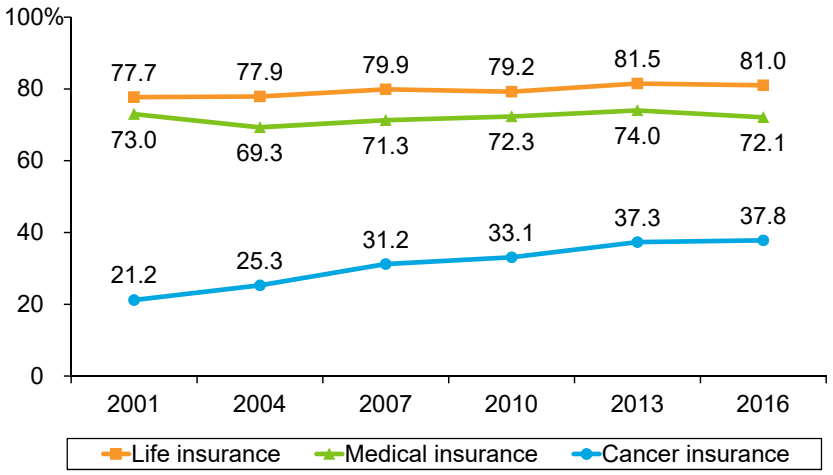
(Cancer & Medical, FSA Basis, Stand-alone, Life Industry Only)



Source Life Insurance Association of Japan

Cancer Insurance Market Growing with Awareness

(Product Penetration, Individual Basis)

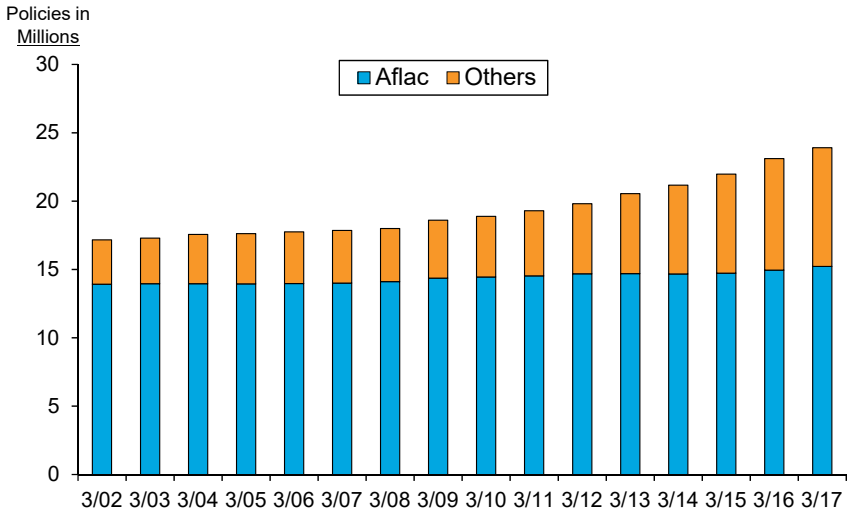


Life insurance does not include annuity insurance and child endowment

Source: Japan Institute of Life Insurance

Maintaining Market Leadership in a Growing Market: Cancer Insurance Policies

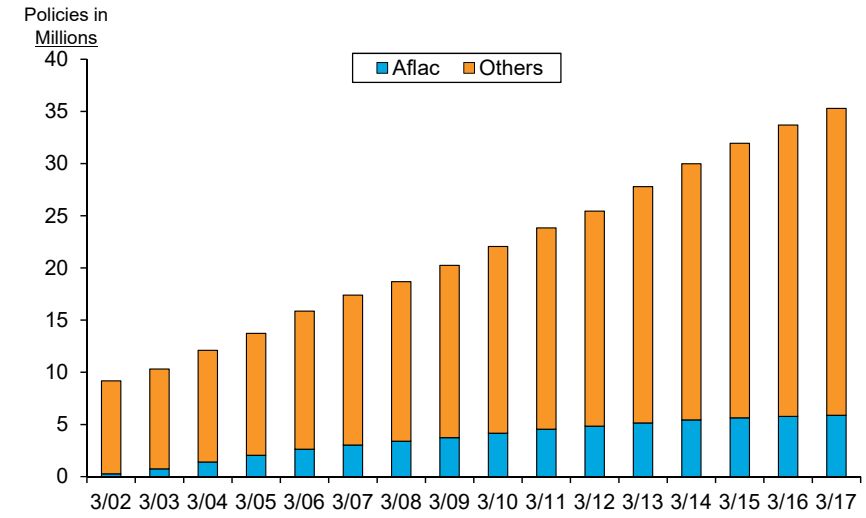
(FSA Basis, Stand-alone, Life Industry Only)



Source Life Insurance Association of Japan

Maintaining Market Leadership in a Growing Market: Medical Insurance Policies

(FSA Basis, Standalone, Life Industry Only)



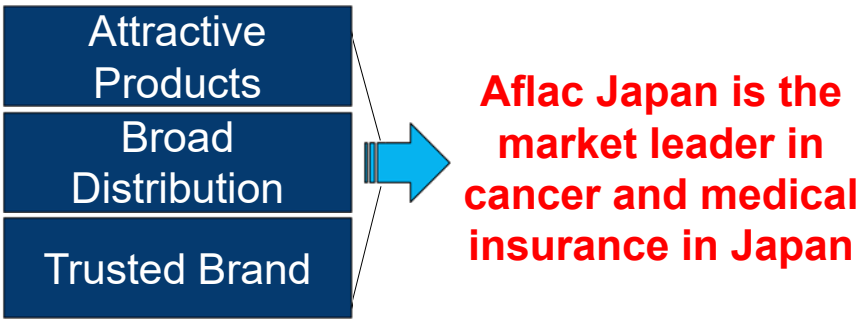
Source Life Insurance Association of Japan

Market Catalysts

Third sector market dynamics support further expansion, including:

- Aging Population
- Financial Tightening of National Health Insurance System
- Diversifying Consumer Needs

Leveraging Our Strengths for Market Leadership



Competitive Advantage: Attractive Products

Cancer	Product revisions every 3-4 years 
Medical	Timely response to customer needs 
Income Support Insurance	Develop new markets in the third sector 
First Sector	Focus on sales of profitable **protection**-type products

Competitive Advantage: Broad Distribution

Category	Channel	Details
Core	Traditional Channel	• Vital for Aflac Japan sales, with approximately 12,000 agencies
Strategic Partners	Japan Post	• Over 20,000 post offices nationwide selling Aflac cancer insurance products • Kampo (Japan Post Insurance Co., Ltd.) offers Aflac cancer insurance products through its 76 branches
	Dai-ichi Life	• Nearly 40,000 Dai-Ichi Life sales representatives offer Aflac cancer insurance products
	Daido Life	• Selling cancer insurance products in SME association market
	Banks	• Aflac Japan was represented at 372 banks, nearly 90% of the total banks in Japan as of the end of 2016

Competitive Advantage: Trusted Brand

Aflac's brand recognition is over 91%

Policyholders look to Aflac as a:

- Pioneer in product development
- Provider of high-quality services and "insurance for daily living"



Aflac Japan VISION 2024

Vision	Being the leading company "Creating Living in Your Own Way"

Through VISION 2024 Aflac Japan will:

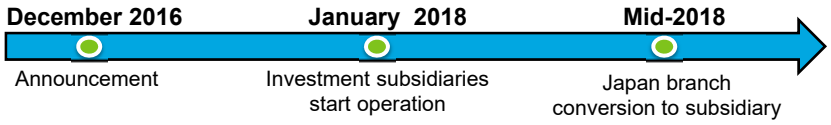
- Strengthen Aflac's position as the leading company in the third sector
- Expand business into new frontiers consistent with our core capabilities and values

Three-year Business Plan Key Themes

1. Japan branch conversion to subsidiary
2. Further strengthen third sector insurance business
3. Explore new business opportunities
4. Enhance operational flexibility and efficiency
5. Cultivate an innovation-driven corporate culture

1. Japan Branch Conversion to Subsidiary

- **Key to sustainable growth**
- **No material impact** on global governance or day-to-day operations
- Conversion **proceeding according to plan**



2. Further Strengthen Third Sector Insurance Business

Secure third sector new annualized premium (AP) by focusing on priority areas:

Expanding new AP
for cancer and medical insurance

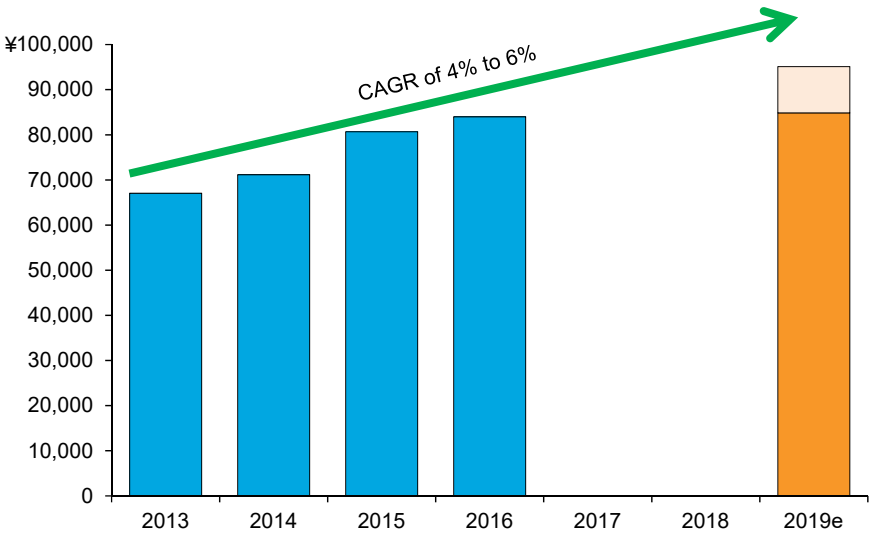
Growing Income Support Insurance
to develop new third sector markets
(i.e., in addition to cancer and medical)

Strategically enhance protection-type first sector products
to strengthen third sector sales

Driving third sector business growth

Growing Long-Term Third Sector Sales

(New AP in Millions)



3. Explore Growth-Oriented New Business Opportunities

- **Identify** new third sector fields
- **Explore** new business opportunities

Investment in medical-related ventures

MRSO, Inc. — Online health checkup reservation service provider

Medical Note, Inc. — Online and tele-medical advice service provider

Research new medical techniques

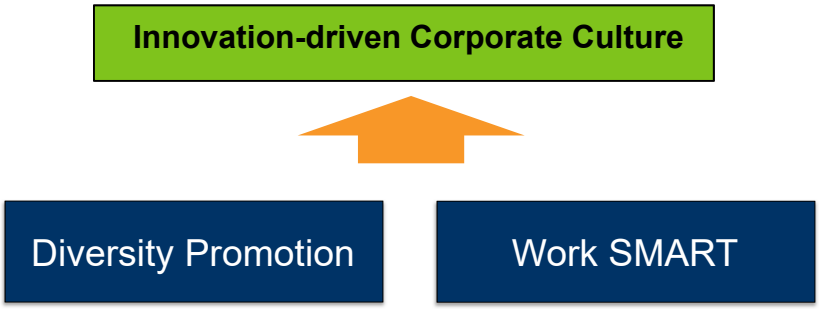
HITACHI Inspire the Next — Collaborative venture to promote early cancer detection and treatment

4. Enhance Operational Flexibility and Efficiency

- Fundamentally re-examining processes and operations
- Strengthening procurement and purchase capabilities

Aflac Japan aims to direct a portion of funds generated by operational efficiency improvements toward future growth

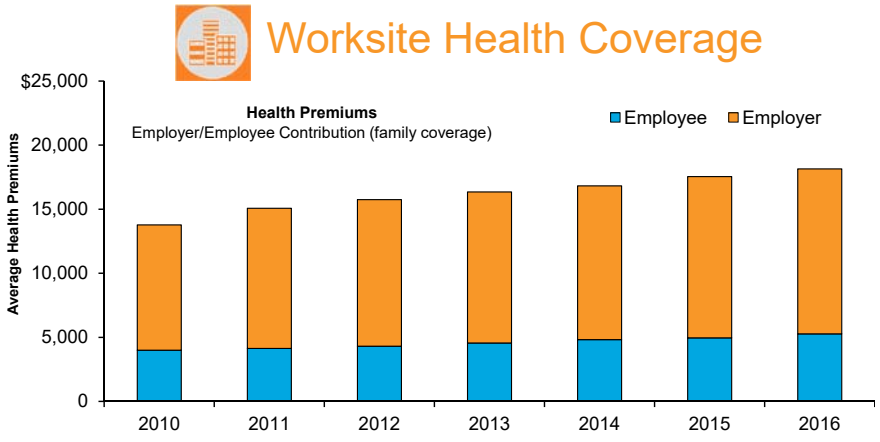
5. Cultivate an Innovation-Driven Corporate Culture



Overview of Aflac U.S.

Teresa L. White
President,
Aflac U.S.

Cost of Health Coverage Continues to Rise

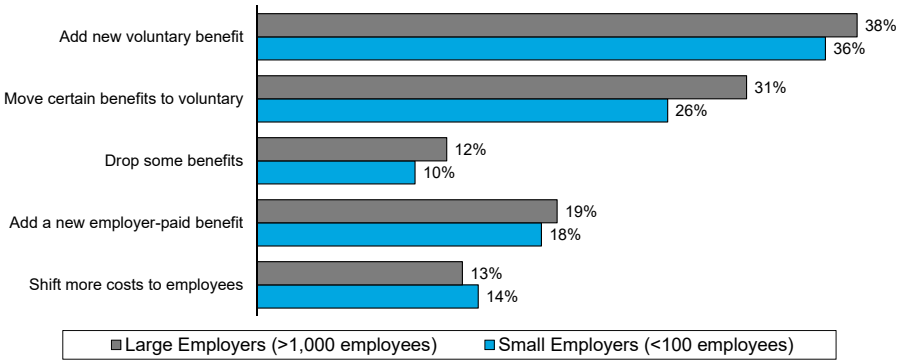


Overall cost of health coverage has continued to rise, with 2016 premiums increasing slightly for both employers and employees.

Source: Kaiser Family Foundation Survey of Employer-Sponsored Health Benefits, 2016, and Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2016

Strong, Positive Outlook for Voluntary Market

Voluntary Benefit Sales



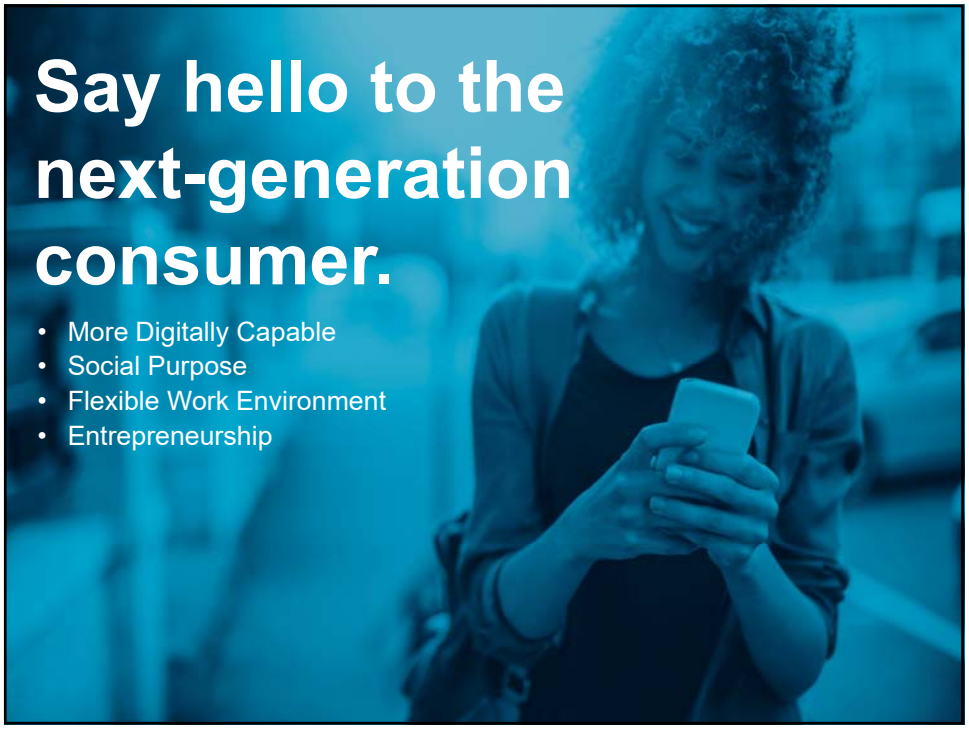
Source: Kaiser Family Foundation Survey of Employer-Sponsored Health Benefits, 2016, and Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2016

Aflac Understands the Impact of a Health Event

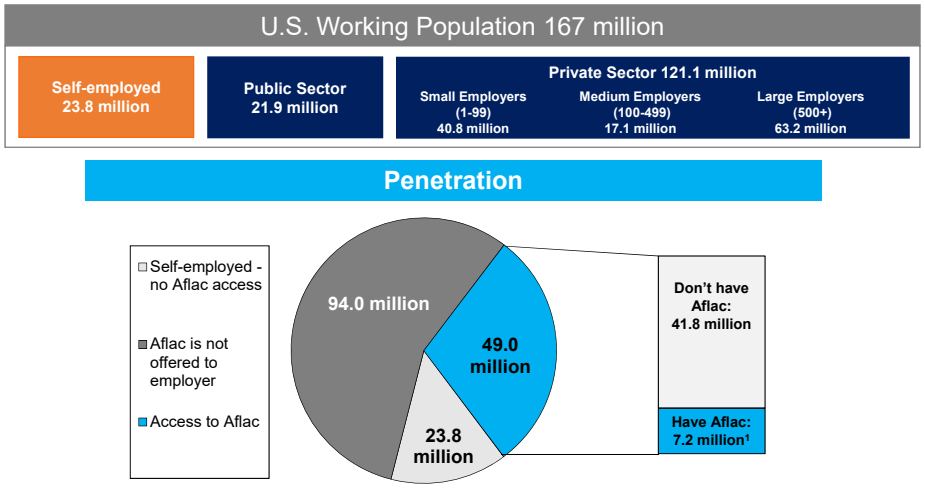




Today, we believe that experiences play a fundamental role in health and well-being.



Aflac's Tremendous Growth Opportunity in the U.S.



[1] Aflac policy and certificate holders as of Dec. 31, 2014
Source: U.S. Census Bureau; Bureau of Labor Statistics

2017 Key Initiatives

Growth

- Distribution expansion
- Drive Everwell® adoption to provide value-added services for a holistic employee benefit solution
- Product portfolio expansion

Efficiency

- Invest in our administrative capability to better service customers and drive down expense ratios

Experience

- Continue to leverage One Day Pay to drive positive brand experience and customer satisfaction

Driving Growth Through Distribution

Growth

- Distribution expansion
- Drive Everwell® adoption to provide value-added services for a holistic employee benefit solution
- Product portfolio expansion

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Growth Initiatives: Increasing Productivity

Executed:

Career
- ✓ Everwell®
- ✓ Increased producer productivity
- ✓ Increased recruiting
- ✓ Increased veteran productivity
- ✓ Increased existing account premium

Brokers
- ✓ Increased broker sales reps by 25% and completed onboarding

Public Sector
- ✓ Developed targeted strategy

Chief Distribution Officer
- ✓ Hired and onboarded

Next Steps:

Broker
- Results expected last half of 2017

Public Sector
- Results expected last half of 2017

Assess New Distribution Growth Opportunities
- Partnerships
- Agent direct to consumer

Growth Initiatives: Product Portfolio Expansion

Executed:

Core Product Revisions
- ✓ Revised Group Accident Product
- ✓ Aflac Choice

Group Partner Product Expansion
- ✓ Whole Life
- ✓ Universal Life
- ✓ True Group Term Life

Value Added Services
- ✓ Fraud & ID Theft
- ✓ Telemedicine
- ✓ AD&D
- ✓ Health Advocacy
- ✓ Financial & Legal Fitness
- ✓ Personal Wellness

Next Steps:

- Assess additional product and service needs



2017 Key Initiatives

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Efficiency

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Experience

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Technology Investments to Support U.S. Operations

Strategic Investments

Wellthie

Empowered Benefits

System Transformation

- Improve speed to market and reduce maintenance costs by re-platforming systems.
- Drive revenue by increasing penetration and access through value-added services, group partner products and enterprise enrollment platforms.
- Improve the customer experience by utilizing customer journey maps to drive new capabilities and meet customer expectations

2017 Key Initiatives

Growth

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Efficiency

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Experience

- Continue to leverage One Day Pay to drive positive brand experience and customer satisfaction

Getting Cash in the Hands of Our Policyholders Matters to Them…So It Matters to Us

Aflac SmartClaim®
One Day Pay℠

	2015	2016	2017e
Volume of One Day Pay claims paid (in Millions)	1.2	1.8	2.2
Smart claim utilization (Adoption Rate)	38.3%	46.0%	55.0%
Eligible claims submitted that were processed in 1 day	100%	100%	100%

Customer Letter



Aflac U.S. Value Proposition

Brand Recognition

- 9 out of 10 consumers are aware of Aflac
- One Day Pay™ claims processing
- Recognized as #1 voluntary benefits carrier by brokers[1]

[1] 2016 Benefits Pro Readers' Choice Award Results

Distribution Reach

Largest agent distribution force in U.S.

- Ability to service a large breadth of U.S. small businesses
- Functions as the largest enrollment organization

Unique Solutions

Portfolio of solutions for all segments

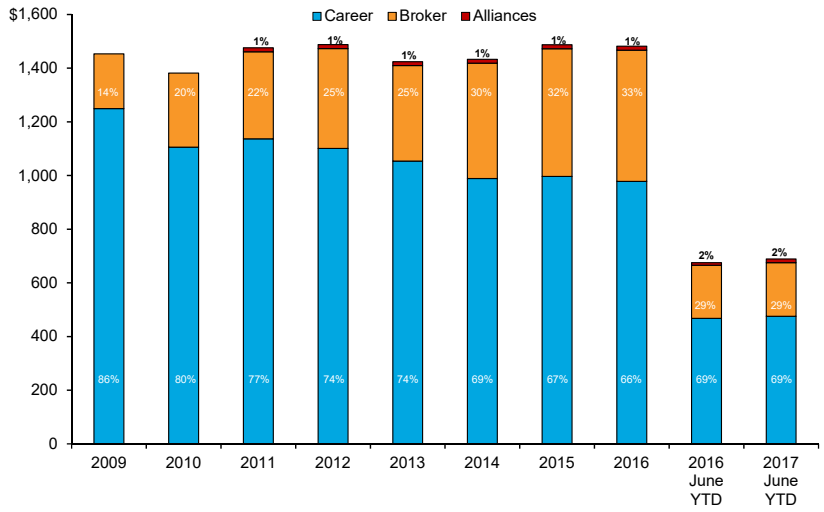
- Worksite: small, mid and large
- Strategic partnerships
- Direct-to-consumer

Aflac SmartClaim One Day Pay

benefitsPRO

Aflac U.S. Distribution Mix is Unique to the Market

(New AP in Millions)



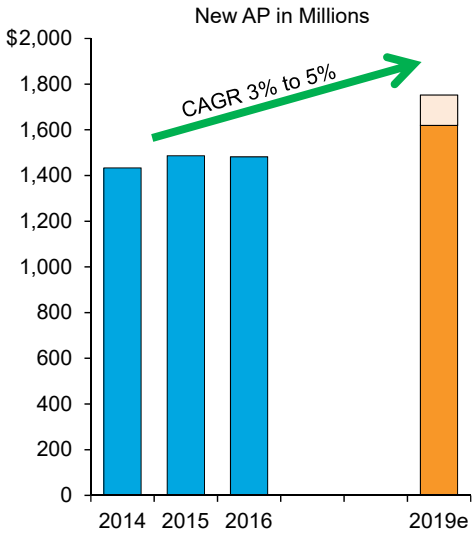
	2009	2010	2011	2012	2013	2014	2015	2016	2016 June YTD	2017 June YTD
$ in Millions	1,453	1,382	1,476	1,488	1,424	1,433	1,487	1,482	675	689
% Δ YoY	(6.4)%	(4.9)%	6.8%	0.8%	(4.3)%	0.7%	3.7%	(0.3)%	2.3%	2.1%

Aflac U.S. Will Deliver on Its Promises



As a company, we exist to support, protect, and advocate for the lifestyles our customers love.

We promise to be there in their time of need.





Aflac Global Investments

Eric M. Kirsch
Executive Vice President;
Global Chief Investment Officer

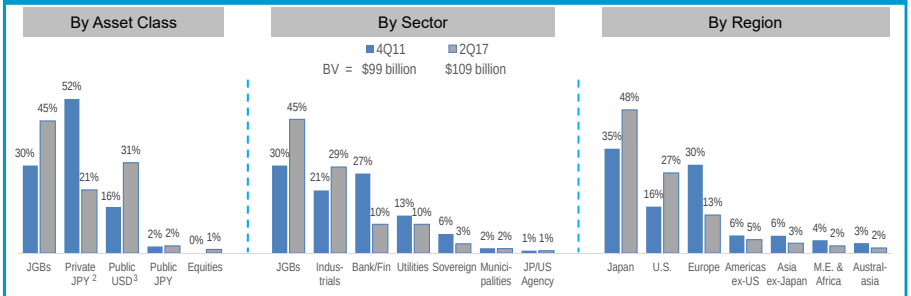
Aflac's Investment Approach



Investment Goals and Objectives

- Asset liability management
- Earn competitive and stable returns
- Maintain high average quality
- Minimize losses and impairments
- Diversify credit, interest rate and currency risk
- Ensure stability of capital

Consolidated Portfolio[1]



[1] Percentage of book value (BV): 4Q11 Aflac Japan = ~$90 billion and Aflac U.S.= ~$9 billion; 2Q17 Aflac Japan = ~$95 billion and Aflac U.S.= ~$13 billion
[2] Includes repackaged securities; [3] Includes 144As; includes 0.8% of Private USD for 4Q11 and 0.4% for 2Q17

Investment Challenges and Opportunities

Challenges

Macro - Global Low Yields

Portfolio

- Net investment income
- Limited yen fixed income market
- Reinvestment risk: calls, maturities, redemptions
- Rising hedge costs

Opportunities

Expand yen fixed income

- Private and public credit; Policy Reserve Matching (PRM)

Expand dollar asset classes

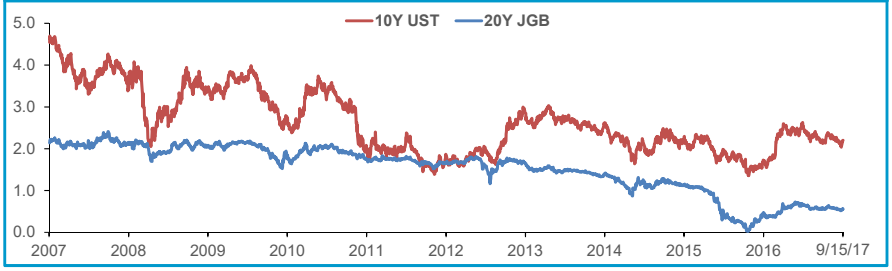
- Private credit – floating rate assets

Switch trades

Sizing of dollar portfolio

- Hedge ratio

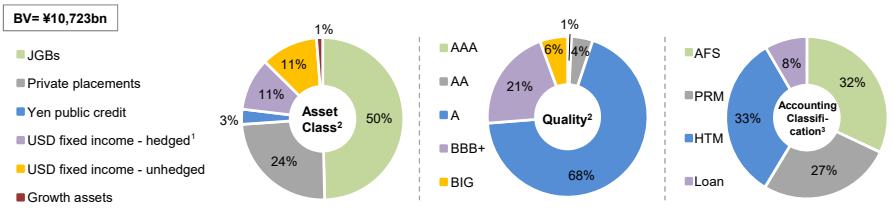
10-year U.S. Treasury and 20-year JGB Yields (%)



Aflac Japan's Portfolio: Safety, Income and Diversification

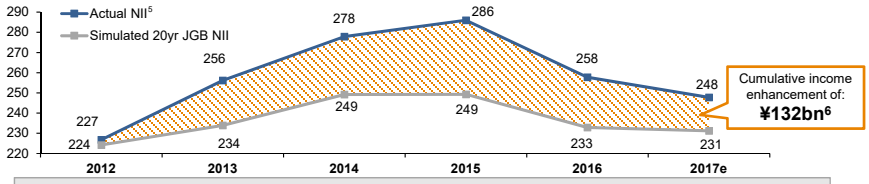
Portfolio Allocation (as of 6/30/17; % of BV)

BV= ¥10,723bn



Benefits:
- Enhanced ALM
- Improved private placements
- Expanded dollar allocation
- Dynamic hedge strategy
- Aflac Inc. equity
- Policy Reserve Matching (PRM)

Net Investment Income (NII)**: Benefit Since Inception of Dollar Program** (¥bn)[4]

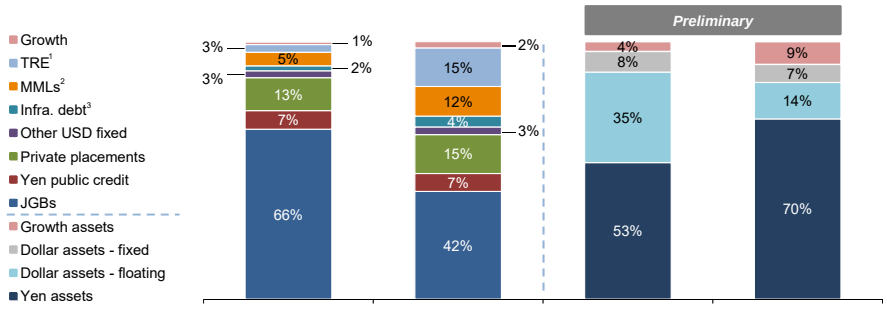


Our balanced investment portfolio is positioned to outperform

[1] Based on long forwards (i.e. economic hedging); excluding FX options; [2] U.S. GAAP basis; [3] J-GAAP basis: Held to Maturity (HTM) and Available for Sale (AFS);
[4] All dollar program assets excluding legacy assets; excludes impact of derivative settlements; [5] Net of amortized hedge costs, manager fees, trust fees (where applicable);
[6] ~$1.2bn - Converted at yearly cumulative average FX rate (2012: 79.81, 2013: 97.54, 2014: 105.46, 2015: 120.99, 2016: 108.7, 1H17: 112.31)

Aflac Japan New Money Allocation and Yield

New Money Allocation (as % Cash Flow)



	YTD (6/30/17)	2017e	2018e	2019e
Yen / Dollar (%)	86 / 14	64 / 36	53 / 47	70 / 30
Total cash flow (¥bn)	640	896	744	425
Thereof calls/redemptions	*191*	*325*	*257*	*123*
Run-off yield	2.29%	2.50%	3.44%	3.65%
New money yield[4,5]	1.54%	2.45%	-	-

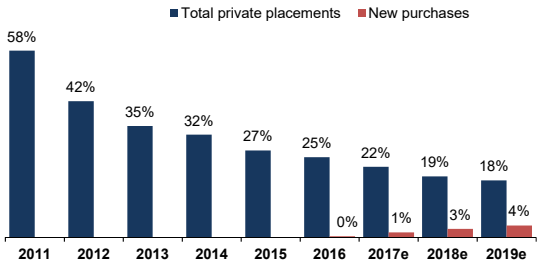
- Funding of floating rate portfolio – 2016 switch trade
- Pacing of growth assets

[1] Transitional real estate; [2] Middle market loans; [3] Infrastructure debt; [4] Impact of equity re-balancing excluded from asset allocation but included in NMY calculation;
[5] Gross yield corresponds to yield reported under US GAAP; gross of amortized hedge costs, external manager fees and trust fees (where applicable)

Aflac Japan - Private Placement Program[1]

(As of June 30, 2017)

Private Placements (% of Japan Portfolio BV)

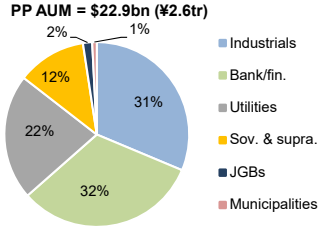


Private Placement Program Highlights:

- Strong credit underwriting
- Selective purchases of high quality issuers
  - ¥100bn invested to date as of June 30 (¥130bn through August 31)
  - Avg. rating: A-
  - Avg. duration: 17 years
  - Avg. spread vs. JGBs: 0.62%
  - Avg. yield: 1.21%
  - Primarily designated PRM
- Exposure is 24% of Japan portfolio (long term limit of 35%)

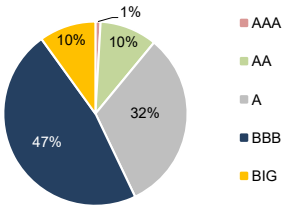
Sector (% of total PP portfolio BV)

PP AUM = $22.9bn (¥2.6tr)



Quality (% of total PP portfolio BV)

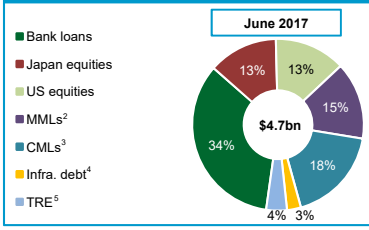
Average Quality = BBB+



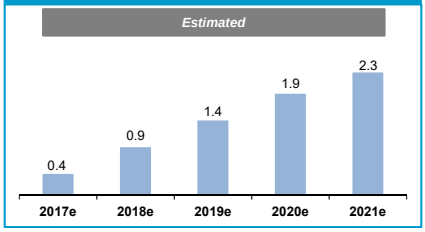
[1] Excludes 144As; includes repackaged securities

Expanding Outsourced Assets

Outsourced Portfolio[1]



Cumulative Alternative Assets Build ($bn)[6]



- Expanded universe
- Unique opportunities

- Disciplined investing over market cycles
- Mature portfolio: 5-7 years
- Return considerations (J-curve)

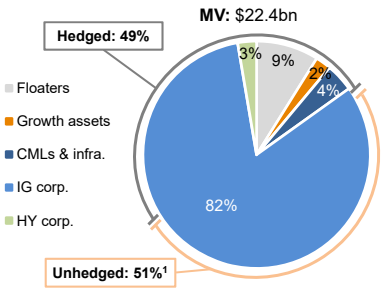
Investment Partners

Bank Loans	CMLs	Infra. Debt	MMLs	TRE	Private Equity	Public Equity
Apollo	Principal	Barings	Goldman Sachs Asset Management	Acore Capital	KKR	Voya
Octagon		Macquarie	NXT Capital		Neuberger Berman	Goldman Sachs Asset Management
						Ariel

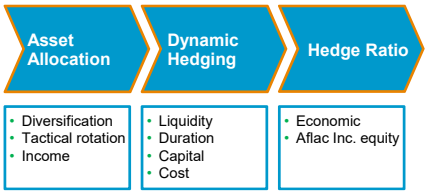
[1] Market value amounts in USD millions; [2] Middle market loans; [3] Commercial mortgage loans; [4] Infrastructure debt; [5] Transitional real state; [6] Alternative assets is a subset of growth assets that generate variable income such as private equity and real estate

Aflac Japan USD Program: Investment and Hedging Strategy

Dollar Portfolio (6/30/17)



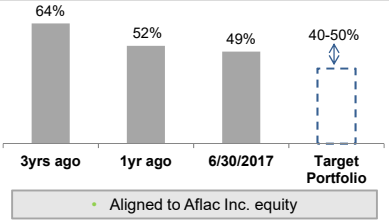
Investment Process



Key Metrics (6/30/17)

	Total Dollar Program	Hedged Portfolio
Market value ($bn)	22.4	10.9[2]
Asset duration (yrs)	7.8	7.2
Hedge duration (yrs)	N/A	1.8
Average yield	3.70%	3.63%

Evolution of Economic FX Hedge Ratio

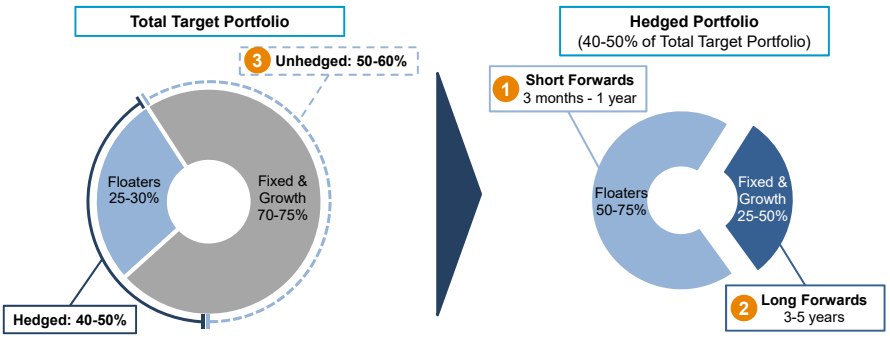


• Aligned to Aflac Inc. equity

[1] Economic market value of unhedged USD exposure
[2] Only includes forwards (i.e. economic hedge)

Aflac Japan Dollar Program Transition

Target Portfolio (% of MV)



Three Pronged Hedging Program

	1 Short Hedging	2 Long Hedging	3 Unhedged
Assets	Floaters	Fixed and growth	Fixed and growth
Asset duration	3 months	7-10 years	7-10 years
Hedging duration	3 month – 1 year forwards	3-5 year forwards	- [1]
Benefits	• Income correlates to hedge costs • Stable net margin	• Locked-in hedge cost • Credit spread	• Dollar income • Shareholder return

[1] F/X collars may be used to most efficiently express unhedged USD exposure

Concluding Thoughts…

- Diversification ✓
- Strong credit discipline ✓
- Multiple investment opportunities ✓
- Dynamic hedge strategy ✓
- Performance ✓

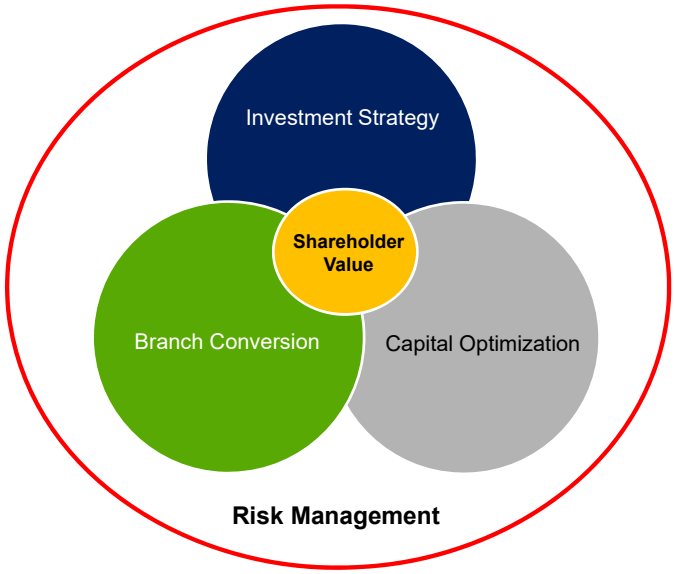




Financial Outlook and Capital Management

Frederick J. Crawford
Executive Vice President;
Chief Financial Officer,
Aflac Incorporated

Financial Strategies Driving Value



Aflac Japan: Strength in Core Margins

Aflac Japan

	1H 2017	2017e – 2019e
	Total	Total
Benefit Ratio[1]	71.1%	70 – 72%
Expense Ratio	18.9%	19 – 21%
Pretax Profit Margin	20.7%	18 – 20%

- Premium decline driven by paid-up WAYS and first sector savings strategy
- Benefit ratio favorable - third and first sector mix and underlying trends
- Expense ratio elevated - revenue decline, product and digital investment
- Pretax profit margin expected to remain stable and favorable within the range

[1] Benefit ratio measured to earned premium; expense ratio and pretax margin based on total revenue

Aflac U.S.: Strength in Core Margins

Aflac U.S.

	1H 2017	2017e – 2019e
	Total	Total
Benefit Ratio[1]	51.3%	52 – 54%
Expense Ratio	34.2%	33 – 35%
Pretax Profit Margin	20.4%	18 – 20%

- Premium growth of 2% to 3% reflecting sales growth and improved retention
- Benefit ratio favorable - strong underlying trends and product mix
- Expense ratio elevated - IT and digital investments and reduced net investment income resulting from capital drawdown
- Profit margin expected to remain stable and favorable within the range

[1] Benefit ratio measured to earned premium; expense ratio and pretax margin based on total revenue

Aflac Japan Conversion: Capital Framework

Capital Mechanics

Unstack → **Allocate** → **Optimize**

Cash Flow Mechanics

- **Japan** - Transition from repatriation to Japan Company Law dividends[1]
- **U.S.** - DOI dividend guidelines and extraordinary distribution of capital

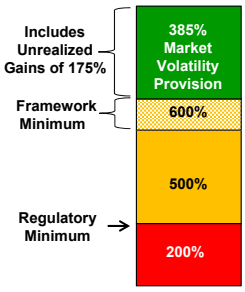
Maintaining excess capital and liquidity throughout a period of conversion and transition

[1] Dividend capacity specified by Japan Company Law and J-GAAP, subject to Japan Insurance Regulations

Aflac Japan Capital - Managing SMR Volatility

SMR ~985%

(as of June 30, 2017)



SMR Sensitivity as of June 30, 2017 (% points[1])	
Yen rates +1%	(70)
Dollar rates +1%	(45)
Yen strengthens +10 yen	(30)
Credit spreads +1%	(95)

SMR Considerations

- Branch conversion results in ~100 point reduction in SMR recovering over 2 to 3 years
- AFS portfolio drives SMR volatility and plays into managing dividend capacity:

  Retained earnings
  + Other capital reserve
  - Unrealized after-tax net loss on AFS
  Dividend capacity

- AFS volatility management[2]
  - » Tactical investment strategy
  - » Use of PRM, HTM, loans
  - » USD hedging & capital margin
- Target repatriation or dividends of ~80% of annual FSA earnings subject to capital conditions

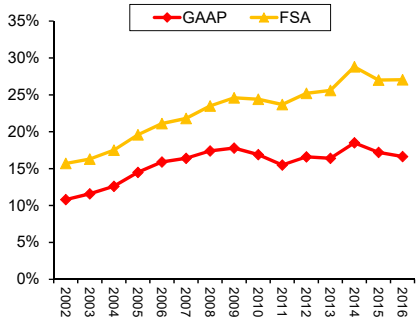
[1] SMR sensitivities to rates, spreads and currency movement are not linear; [2] AFS (Available for Sale), PRM (Policy Reserve Matching), HTM (Held to Maturity)

Aflac Japan: Strong Economic Position

Economic Solvency Ratio (ESR)[1]

- FSA field-testing continues
- Timing and method of adoption under review
- Sensitive to long-term rates
- Adjusted ratio in excess of 200% at June 2017, including UFR
- Aflac benefits from favorable business mix (third sector)

2016 Gross Premium Valuation (GPV)[2]



Aflac supports an economic solvency approach

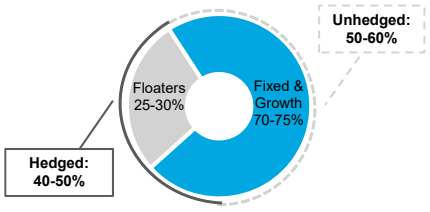
[1] Assumes rates as of 6/30/17, includes ultimate forward rate (UFR) and estimated year-end morbidity adjustments
[2] Net position by reporting basis; margins represent a percentage of present value premium

U.S. Excess Capital Utilization

~$1.75bn dividend of excess capital to Aflac Inc. over 3 years to fund the following:

1	**Capital Deployment ~$1.0 billion**	Capital deployment for enhanced shareholder value
2	**Aflac Japan Capital Margin ~$0.75 billion**	Capital support margin for Japan USD NII optimization

2018 USD Assets in Japan



Aflac Japan Capital Margin ~$0.75 billion

- Sized based on AFS/SMR stress test
- Lowers and stabilizes hedge costs
- Capital held in Japan KK and Aflac Inc.

U.S. RBC Forecasted Drawdown Plan

$1.75 billion capital drawdown begins in 2017 (pre-conversion) targeting RBC of ~500% by year-end 2019

	Pro Forma U.S. Stand-Alone		
RBC Drawdown	**2017e**	**2018e**	**2019e**
Forecasted RBC **before** drawdown	~1,000%	~800%	~650%
Estimated U.S. excess capital utilization[1]	**$750mm**	**~$500mm**	**~$500mm**
Forecasted RBC **after** drawdown[2]	~800%	~650%	~500%
Statutory dividend request	Ordinary	Extraordinary	Extraordinary

Considerations

- 2017 drawdown funds Japan SMR capital margin designed to optimize USD hedge costs
- Coordinated with Nebraska DOI on required extraordinary dividend approvals
- Low-risk business model (asset leverage & GPV margins) supports RBC at or below 500%

[1] Excludes annual Aflac U.S. only dividends generated from operations in the range of $450 million to $550 million run rate annually.
[2] RBC projections exclude the impact of proposed C-1 changes impacting risk-based capital allocated to investments

Aflac Inc. Capital Structure Optimization

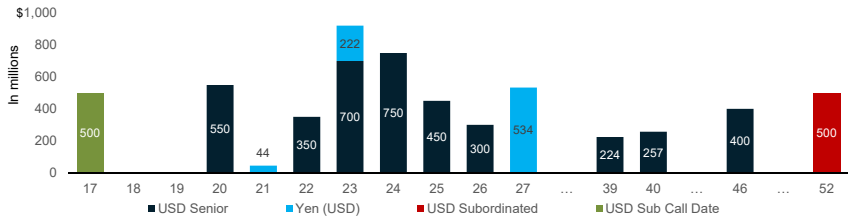
Areas of Focus

- Defend 8% cost of capital
- Conservative leverage & liquidity
- Optimize ¥/$ debt mix
- Secure strong ratings

Leverage & Coverage Ratios[1]

	Threshold	2017e	2018e - 2019e
Leverage Ratio	25%	21.2%	20% - 25%
Interest Coverage	12x	17x	~15x - 17x
Standby Liquidity	$1.0B	~$1.5B	~ $1.5B

Debt Structure[2]

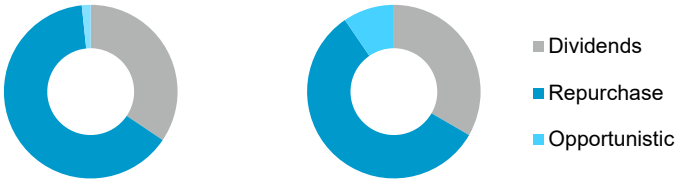


[1] Based on internal methodology
[2] Amounts based on un-swapped basis; yen debt converted to USD at 112.39 USD/JPY as of 6/30/2017

Capital Deployment: Under Stable Conditions

2014-2016
$6.0 billion[1]

2017-2019
~$5.75bn to ~$6.50bn



Considerations

- Run rate annualized free cash flow[2] (FCF) of $1.6 billion to $1.8 billion normalizing in 2019
- Deployable Capital - FCF and excess capital after reinvestment in core insurance businesses
- 2017-2019 range includes excess U.S. capital deployment of ~$1.0 billion in 2018 and 2019
- Opportunistic represents amounts available for repurchase, retention or alternative uses

[1] Amounts include repatriation of FSA earnings generated from reinsurance transaction;
[2] Assumes yen cash flows converted at an average exchange rate of 110 ¥/$.See appendix for definition of free cash flow.

Financial Drivers of Shareholder Value

Investing for Opportunity

Growth
IT Modernization - Product Development - Digitization - Ventures

Margins
Productivity - Investment SAA - Benefit Trends - Expense Management

Capital
Reduce Cost - Unlock Excess - Align - Optimize - Deploy



Appendix

Definitions of Non-U.S. GAAP Financial Measures

The foregoing material includes references to Aflac's non-U.S. GAAP performance measures, operating return on equity (operating ROE) and free cash flow. These measures are not calculated in accordance with U.S. GAAP.

- Operating ROE excludes 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 operating return on equity 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. Due to the size of Aflac Japan, where the functional currency is the Japanese yen, fluctuations in the yen/dollar exchange rate can have a significant effect on reported results. In periods when the yen weakens, translating yen into dollars results in fewer dollars being reported. When the yen strengthens, translating yen into dollars results in more dollars being reported. Consequently, yen weakening has the effect of suppressing current period results in relation to the comparable prior period, while yen strengthening has the effect of magnifying current period results in relation to the comparable prior period. As a result, the company views foreign currency translation as a financial reporting issue for Aflac rather than an economic event to the company or shareholders. Because a significant portion of the company's business is conducted in Japan and foreign exchange rates are outside of management's control, Aflac believes it is important to understand the impact of translating Japanese yen into U.S. dollars. Operating return on equity, excluding current period foreign currency impact, is 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.

Definitions of Non-U.S. GAAP Financial Measures

- The company considers free cash flow important because management utilizes this measure in determining capital deployment and liquidity strategies.
- Aflac defines the non-U.S. GAAP measures included in this material as follows:
- Operating return on equity excluding current period foreign currency impact is calculated using operating earnings excluding the impact of the yen/dollar exchange rate, as defined below, divided by average shareholders' equity, excluding AOCI. The comparable U.S. GAAP measure is return on average equity (ROE) as determined using net earnings and average total shareholders' equity.
- Operating earnings includes interest cash flows associated with notes payable and amortized hedge costs related to foreign currency denominated investments, but excludes certain items that cannot be predicted or that are outside of management's control, such as realized investment gains and losses from securities transactions, impairments, change in loan loss reserves and certain derivative and foreign currency activities; nonrecurring items; and other non-operating income (loss) from net earnings. Nonrecurring and other non-operating items consist of infrequent events and activity not associated with the normal course of the company's insurance operations and do not reflect Aflac's underlying business performance.
- Free cash flow (FCF) is defined as cash flows from subsidiary repatriation and dividend proceeds, inter-company management agreements and tax sharing agreements, and other cash flows, less debt service, corporate expenses, and reinvestment in core insurance businesses.
- Forward-looking information with regard to ROE and FCF is not available without unreasonable effort. This is due to the unpredictable and uncontrollable nature of the reconciling items, which would require an unreasonable effort to forecast and we believe would result in such a broad range of projected values that would not be meaningful to investors. For this reason, we believe that the probable significance of such information is low.


Aflac®