Presentation Notes for the 2018 Morgan Stanley Financials Conference



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For more information contact:
Investor and Rating Agency Relations
706.596.3264
800.235.2667
Aflacir@Aflac.com
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. The company desires 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.

The company cautions 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 implement the conversion of the Japan branch 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 the Company's industry; failure to comply with restrictions on patient privacy and information security; extensive regulation and changes in law or regulation by governmental authorities; changes in tax rates applicable to the company; defaults and credit downgrades of investments; ability to attract and retain qualified sales associates, brokers, employees, and distribution partners; decline in creditworthiness of other financial institutions; subsidiaries' ability to pay dividends to Aflac Incorporated; decreases in the Company's financial strength or debt ratings; inherent limitations to risk management policies and procedures; concentration of the Company's 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 the Company's investments; catastrophic events including, but not necessarily limited to, epidemics, pandemics, tornadoes, hurricanes, earthquakes, tsunamis, war or other military action, terrorism or other acts of violence, and damage incidental to such events; changes in U.S. and/or Japanese accounting standards; loss of consumer trust resulting from events external to the Company's operations; increased expenses and reduced profitability resulting from changes in assumptions for pension and other postretirement benefit plans; level and outcome of litigation; and failure of internal controls or corporate governance policies and procedures.

The estimated impact of tax reform, which is included in GAAP net income and equity, but excluded from adjusted earnings as defined, is a preliminary estimate and may be adjusted for the current and future periods, possibly materially, due to, among other things, further refinement of the company's calculations, changes in interpretations and assumptions the company has made, tax guidance that may be issued and actions the company may take as a result of tax reform.



Forward-Looking Statements and Non-GAAP Financial Measures

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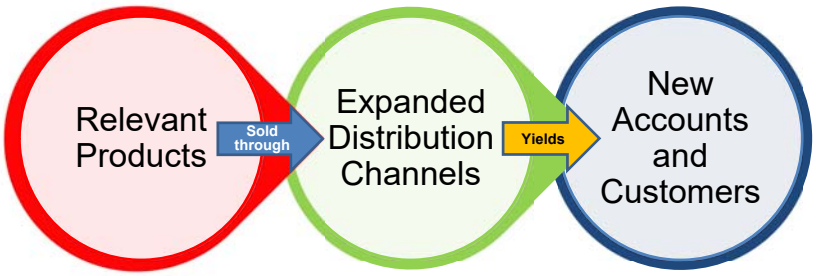
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Non-U.S. GAAP Financial Measures and Reconciliations

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 slides "Reconciliation of Net Earnings to Adjusted Earnings," "Reconciliation of Net Earnings Per Diluted Share to Adjusted Earnings Per Diluted Share," "2018 Annual Adjusted EPS Scenarios" and the Appendix for definitions of these measures and a reconciliation of the non-U.S. GAAP financial measures used in this presentation to the most directly comparable GAAP measures, or an explanation of why such a reconciliation is not provided.

Aflac's Strategy



Protecting Against:
- Rising out-of-pocket medical expenses, co-pays and deductibles

Reaching Customers at:
- At the worksite
- Through agents and brokers
- Partnerships

Insuring:
- More than 50 million people and growing

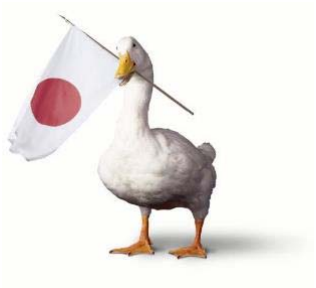
NYSE: AFL

Aflac's Unique Products

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

NYSE: AFL

Aflac Japan



NYSE: AFL

Competitive Advantage: Valued 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

NYSE: AFL

Competitive Advantage: Broad Distribution

Category	Channel	Details
Core	Traditional Channel	• Vital for Aflac Japan sales, with approximately 11,000 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 374 banks, nearly 90% of the total banks in Japan as of the end of 2017

NYSE: AFL

Promotion Strategy

Corporate icon



Product icons

Cancer (DAYS)



Medical (EVER)



Income Support



NYSE: AFL

Aflac Japan Segment Performance

(Three Months Ended March 31, In Yen)

	2018	2017
Third sector sales (in billions)	¥17.6	¥19.6
Net premium (in billions)	353.3	362.9
Adjusted revenue (in billions)	¥ 418.2	¥ 427.7
Benefit ratio to premium	70.3%	71.7%
Expense ratio to revenue	19.4	18.7
Pretax profit margin	21.1	20.5
Premium persistency	94.4%	94.9%

NYSE: AFL

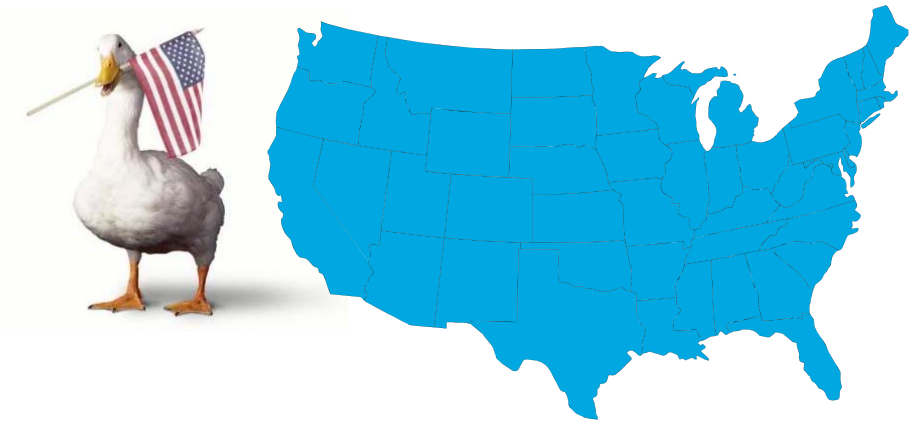
The Need for Aflac's Products

- Aging population
- Declining birthrate
- Financial strain on national health care system
- Approximately 1/3 of patients had nearly 20,000 yen of daily out-of-pocket expenses

Source: Japan Institute of Life Insurance; 2016

NYSE: AFL

Aflac U.S.



NYSE: AFL

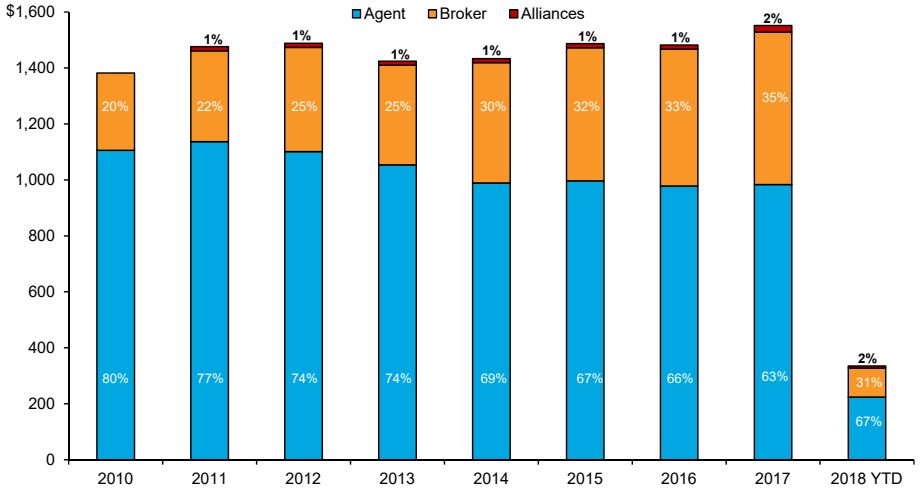
Aflac U.S. Products

- Cancer
- Accident
- Short-Term Disability
- Critical Illness
- Hospital Indemnity
- Dental
- Vision
- Life (Term, Whole)

NYSE: AFL

Aflac U.S. Distribution Mix

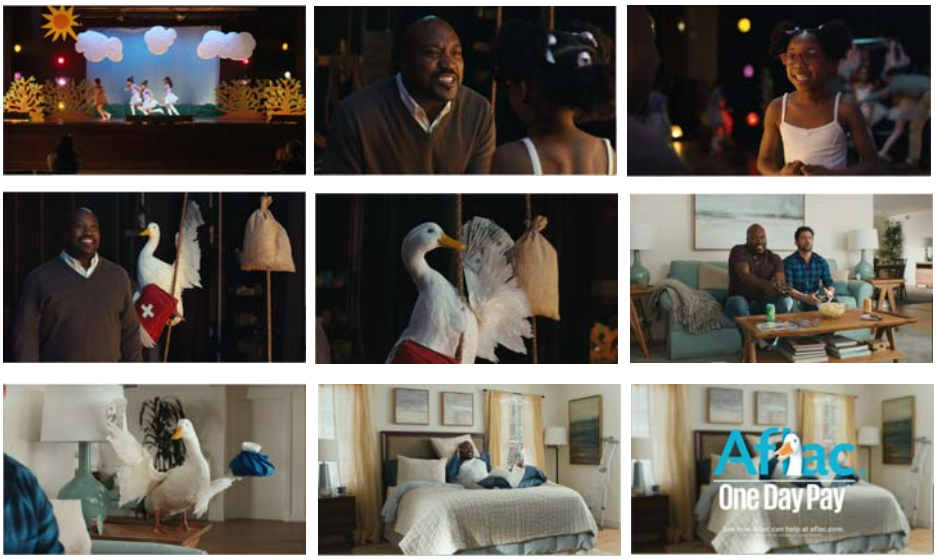
(New AP in millions)



	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD
In Millions	1,382	1,476	1,488	1,424	1,433	1,487	1,482	1,552	335
% Δ YoY	(4.9)%	6.8%	0.8%	(4.3)%	0.7%	3.7%	(0.3)%	4.7%	0.6%

NYSE: AFL

Aflac U.S. Branding



Aflac U.S. Segment Performance

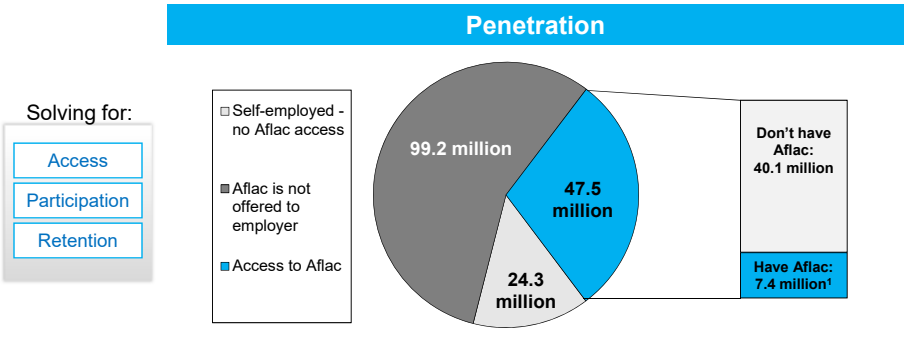
(Three Months Ended March 31)

	2018 Results	2017 Results
New sales (millions)	$335	$333
Net premium (millions)	1,427	1,390
Adjusted revenues (millions)	$1,604	$1,569
Benefit ratio to premium	48.8%	51.0%
Expense ratio to revenue	35.6	35.1
Pretax profit margin	21.0	19.7
Premium persistency	78.5%	78.4%

NYSE: AFL

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





[1] Aflac policy and certificate holders as of Dec. 31, 2017

Source: 2015 U.S. Census Bureau; Bureau of Labor Statistics

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Consolidated Financial Performance and Capital Management

Effect of Foreign Currency on Adjusted Results

(Three Months Ended March 31, 2017)

	As Reported	Ex. Yen[2]
Net premium income[3]	2.3%	(1.0)%
Net investment income[4]	5.7	3.5
Total benefits and expenses	1.5	(1.7)
Adjusted earnings[1]	21.4	18.3
Adjusted earnings per diluted share[1]	25.0	21.4

[1] Adjusted earnings and adjusted earnings per diluted share are non-U.S. GAAP measures. Refer to the appendix.
[2] Amounts excluding currency changes were determined using the same yen/dollar exchange rate for the current period as the comparable period in the prior year.
[3] Net of reinsurance
[4] Less amortized hedge costs on foreign investments

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Reconciliation of Net Earnings Per Diluted Share to Adjusted Earnings Per Diluted Share[1]

(Three months ended March 31)

	2018	2017	% Inc.
Net earnings per diluted share	$.91	$.73	24.7%
Items impacting net earnings:			
Realized investment (gains) losses	.13	.14	
Other and non-recurring (income) loss	.04	.02	
Income tax (benefit) expense on items excluded from adjusted earnings	(.03)	(.05)	
Adjusted earnings per diluted share	$1.05	$.84	25.0%
Current period foreign currency impact[2]	(.03)	N/A	
Adjusted earnings per diluted share excluding current period foreign currency impact[3]	$1.02	$.84	21.4%

[1] Amounts may not foot due to rounding.
[2] Prior period foreign currency impact reflected as "N/A" to isolate change for current period only.
[3] Amounts excluding current period foreign currency impact are computed using the average yen/dollar exchange rate for the comparable prior-year period, which eliminates dollar-based fluctuations driven solely from currency rate changes.

Strong Capital Profile

(Year Ended Dec 31)

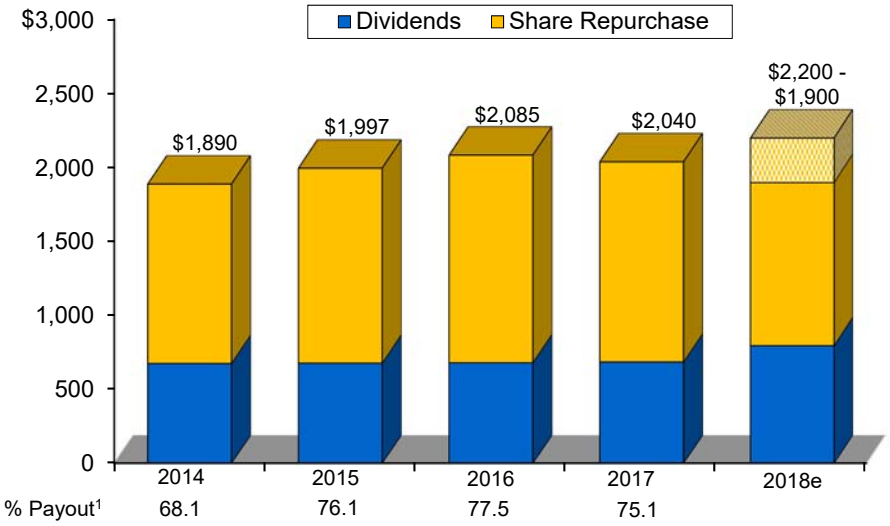
	2015	2016	2017
Aflac RBC ratio	933%	894%	831%
Aflac Japan SMR	828%	945%	1,064%

Average exchange rates for 2015, 2016, and 2017 were 120.99,108.70, and 112.16, respectively

NYSE: AFL

Capital Plan: Returning Capital to Shareholders

(In Millions)



[1] Dividends and share repurchase as percentage of adjusted earnings. Adjusted earnings is a non-U.S. GAAP financial measure. See "Definitions of Non-U.S. GAAP Financial Measures" for more information on this measure.

NYSE: AFL

2018 Adjusted EPS[1] Objective

- For 2018, we expect adjusted earnings per diluted share of $3.72 - $3.88, assuming a yen/dollar exchange rate of 112.16

[1] A non-U.S. GAAP financial measure. See "2018 Annual Adjusted EPS Scenarios" for more information on this measure.

NYSE: AFL

2018 Annual Adjusted EPS[1] Scenarios[2]

Weighted-Average Yen/Dollar Exchange Rate	Adjusted Earnings Per Diluted Share	Foreign Currency Impact
100	$ 3.95 - 4.11	$ .24
105	3.85 - 4.01	.14
110	3.76 - 4.92	.04
112.16[3]	3.72 – 3.88	—
115	3.67 - 3.83	(.05)
120	3.59 - 3.75	(.13)

[1] A non-GAAP financial measure, 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. In reliance on the "unreasonable efforts" exception in Item 10(e)(1)(i)(B) of SEC Regulation S-K, a quantitative reconciliation to the most comparable GAAP measure is not provided for this financial measure. Forward-looking information with regard to the most comparable GAAP financial measure, earnings per share, is not available without unreasonable effort. This is due to the unpredictable and uncontrollable nature of these 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.
[2] Table recasts all quarters to the average exchange rate.
[3] Actual 2017 weighted-average exchange rate

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Aflac Strategic Points of Leverage

- Industry-leading market share and scale in Japan and U.S.
- Recognized and powerful brand
- Diverse and productive distribution
- Product innovation and customized, high-quality service
- Strong capital position
  - » Stable earnings
  - » Strong cash flows



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Appendix

Definitions of Non-U.S. GAAP Financial Measures

Aflac defines the non-U.S. GAAP measures included in this presentation as follows:

- 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 GAAP total revenues excluding realized investment gains and losses, except for amortized hedge costs related to foreign currency denominated investments. Adjusted expenses are 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 Aflac's underlying business performance. The most comparable GAAP measure is net earnings.

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Definitions of Non-U.S. GAAP Financial Measures

- 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 GAAP measure is net earnings per share.
- Adjusted return on equity excluding foreign currency impact is calculated using adjusted earnings excluding the impact of the yen/dollar exchange rate, as reconciled with total GAAP net earnings, divided by average shareholders' equity, excluding AOCI. The most comparable GAAP measure is return on average equity (ROE) as determined using net earnings and average total shareholders' equity.
- Amortized hedge costs represent costs incurred in using foreign currency forward contracts to hedge the foreign exchange risk of a portion of U.S. dollar-denominated assets in the company's Japan segment investment portfolio. These amortized hedge costs are derived from the difference between the foreign currency spot rate at time of trade inception and the contractual foreign currency forward rate, recognized on a straight line basis over the term of the hedge. There is no comparable GAAP financial measure for amortized hedge costs.

NYSE: AFL

Reconciliation of Net Earnings to Adjusted Earnings[1]

(Three months ended March 31)

	2018	2017	% Inc.
Net earnings	$717	$592	21.1%
Items impacting net earnings:			
Realized investment (gains) losses	98	109	
Other and non-recurring (income) loss	29	20	
Income tax (benefit) expense on items excluded from adjusted earnings	(24)	(45)	
Adjusted earnings	$821	$676	21.4%
Current period foreign currency impact[2]	(21)	N/A	
Adjusted earnings excluding current period foreign currency impact[3]	$800	$676	18.3%

[1] Amounts may not foot due to rounding.
[2] Prior period foreign currency impact reflected as "N/A" to isolate change for current period only.
[3] Amounts excluding current period foreign currency impact are computed using the average yen/dollar exchange rate for the comparable prior-year period, which eliminates dollar-based fluctuations driven solely from currency rate changes.