Presentation Notes for the Aflac 2018 Financial Analysts Briefing Conference



September 26, 2018

For more information contact:
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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 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”, "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.

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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.

2018 AFLAC FINANCIAL ANALYSTS BRIEFING

Wednesday, September 26

7:00 a.m. - 8:00 ***Breakfast – (Location: Park Hyatt Tokyo - 39th Floor, Venetian and Drawing Rooms)***

8:00 ***Welcome and Introductions (Location: Park Hyatt Tokyo - 39th Floor, Ballroom)***
David A. Young, Vice President, Investor and Rating Agency Relations, Aflac Incorporated

Aflac Incorporated Strategic Overview
Daniel P. Amos, Chairman and Chief Executive Officer, Aflac and Aflac Incorporated

Overview of Japan's Political Economy
Charles D. Lake II, President, Aflac International; Chairman and Representative Director, Aflac Life Insurance Japan

Overview of Aflac Japan
Masatoshi Koide, President and Representative Director, Aflac Life Insurance Japan

Aflac Japan Sales and Marketing Overview
Koji Ariyoshi, Director; Executive Vice President; Director of Sales and Marketing, Aflac Life Insurance Japan

Aflac Japan Q&A Panel: Daniel P. Amos, Charles D. Lake II, Masatoshi Koide, Koji Ariyoshi, J. Todd Daniels, John A. Moorefield, Albert A. Riggieri, Yoko Kijima; David A. Young, moderator

Break

Overview of Aflac U.S.
Teresa L. White, President, Aflac U.S.

Aflac U.S. Growth Strategy: Capitalizing on Market Opportunity
Richard L. Williams Jr., Executive Vice President and Chief Distribution Officer

Aflac U.S. Q&A Panel: Daniel P. Amos, Teresa L. White, Richard L. Williams Jr., Virgil R. Miller and Albert A. Riggieri; David A. Young, moderator

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

Aflac Incorporated Financial Outlook & Capital Management
Frederick J. Crawford, Executive Vice President and Chief Financial Officer, Aflac Incorporated

Max K. Brodén
Senior Vice President; Treasurer and Head of Corporate Development, Aflac Incorporated

Aflac Incorporated/Financial Q&A Panel:
Daniel P. Amos, Frederick J. Crawford, Eric M. Kirsch, J. Todd Daniels, Max K. Brodén, Hideto Yamamoto, June P. Howard; David A. Young, moderator

12:15 ***Closing Remarks***
Daniel P. Amos, Chairman and Chief Executive Officer, Aflac and Aflac Incorporated

12:15 - 1:00 ***Lunch (Location: Park Hyatt Tokyo - 39th Floor, Venetian and Drawing Rooms)***



Forward-Looking Statements

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Strategic Overview of Aflac

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



Overview of Japan's Political Economy

Charles D. Lake II
President, Aflac International
Chairman and Representative Director, Aflac Life Insurance Japan

Roadmap

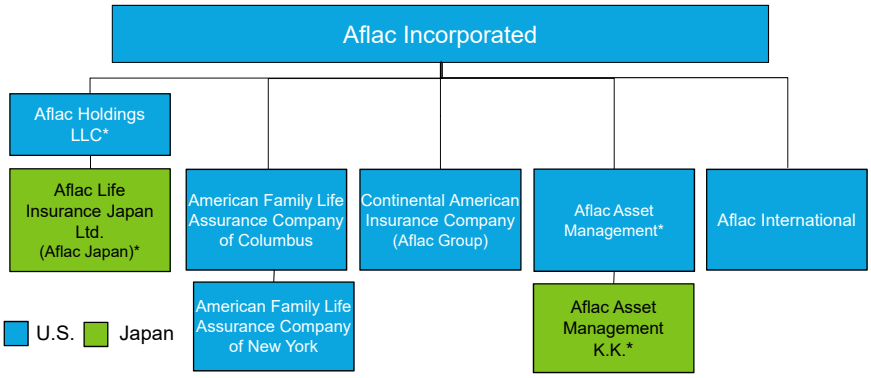
I. Post-Conversion Governance

II. Japan's Macro Environment

III. Japan's Political Outlook and Economic Policy

Post-conversion Structure and Governance

Maintaining Governance Best Practice at the Group and Subsidiary Levels

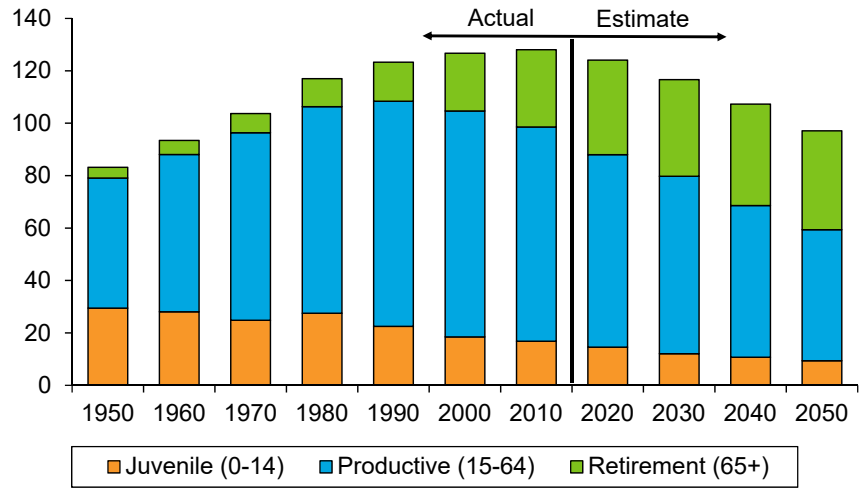


- **Maintained existing global group governance framework:** Aflac Incorporated Board and correlated internal management committees, namely the Global Executive Management, Global Risk, Global Capital, Global Investment committees.
- Maintained boards and governance for pre-existing subsidiaries and established the same at new subsidiaries.
- **Formalized pre-existing governance at Aflac Japan** with the formation of a board of directors and statutory auditors, which is aligned with nearly 80% of first section-listed companies on Tokyo Stock Exchange.

** New entities formed as part of the Aflac Japan branch conversion*

Japan's Aging Population and Low Birthrate

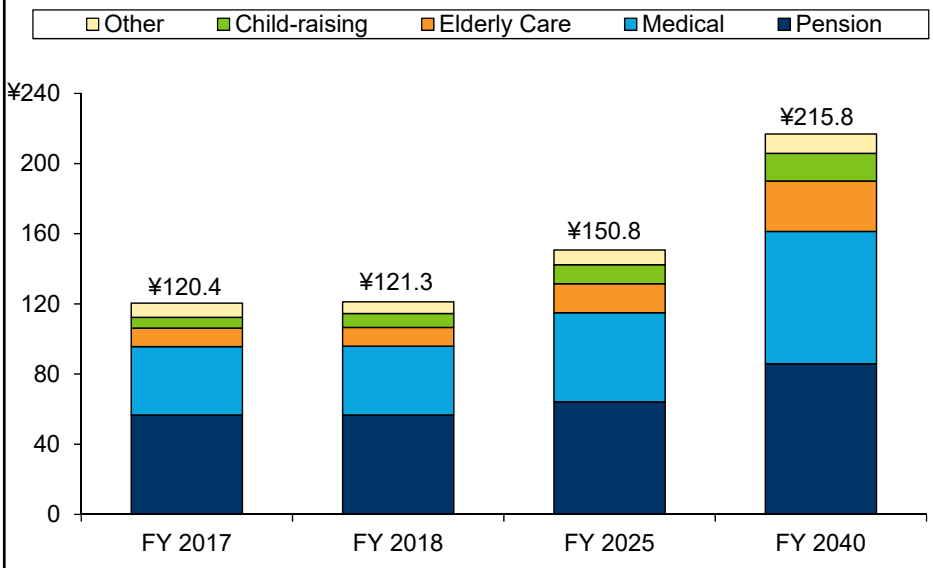
(In Millions)



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

Projected Social Security Benefits

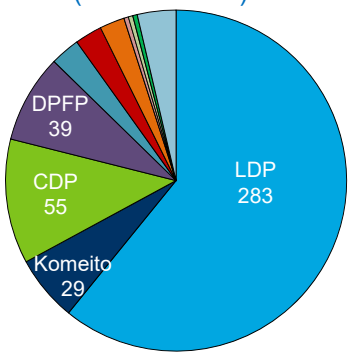
(In Trillions)



Source: Ministry of Health, Labor and Welfare

Ruling Coalition Maintains Large Advantage Over Opposition Parties

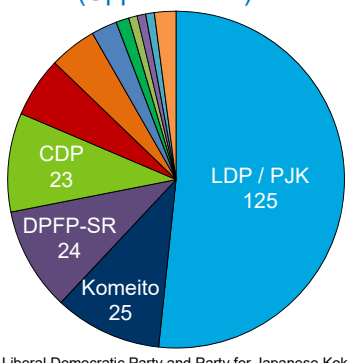
House of Representatives (Lower House)*



- Liberal Democratic Party
- Komeito
- Constitutional Democratic Party of Japan
- Democratic Party for the People
- Group of Independents
- Japanese Communist Party
- Nippon Ishin
- Liberal Party
- Social Democratic Party
- Party of Hope
- Independents

*As of May 9, 2018

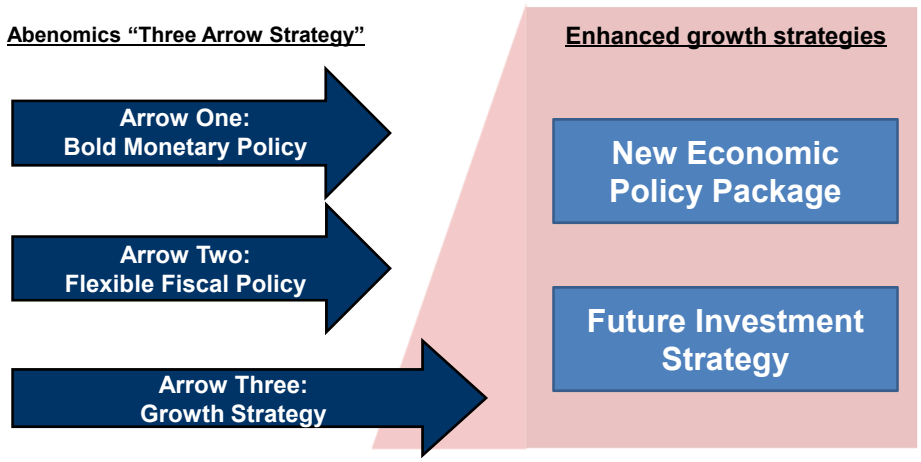
House of Councillors (Upper House)**



- Liberal Democratic Party and Party for Japanese Kokoro
- Komeito
- Democratic Party for the People and Shin-Ryokufukai
- Constitutional Democratic Party of Japan and Minyukai
- Japanese Communist Party
- Nippon Ishin
- Hope Coalition
- Party of Hope
- Independents Club
- Okinawa Whirlwind
- Voice of the People
- Independents

**As of August 5, 2018

Enhanced Abenomics Strategy

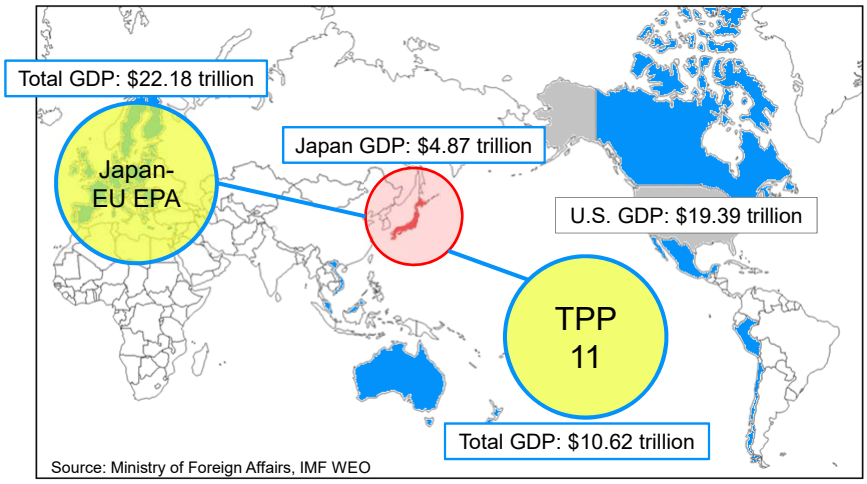


Japan's Enhanced Growth Strategy Measures

New Economic Policy Package	✓ Focused investment period through 2020 ✓ Implement tax, budget and regulatory reform measures
Future Investment Strategy	Robust economic policy plan with measures to: • Establish next-generation healthcare system • Promote FinTech and a cashless society • Utilize regulatory sandboxes • And more

Source: Cabinet Office, Government of Japan

Japan in the Center of a Global Free Trade Zone



Negotiations underway:

- Regional Comprehensive Economic Partnership (RCEP, 16 members)
- Japan-China-Republic of Korea FTA

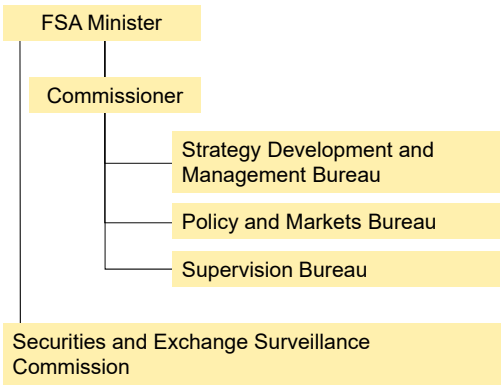
FSA's New Regulatory Policy: Balancing Regulation with Growth

Key components include:

- Shift from a rules-based to a principles-based approach to supervision
- Abolish FSA's inspection manual
- Promote customer-centric business practices
- Encourage financial innovation through FinTech
- Further promote corporate governance reforms

From Financial “Sanctions” Agency to Financial “Promotion” Agency

New FSA Structure
(Effective July 2018)



Major Objectives:

- Enhance strategy development capabilities
- Deepen financial administration expertise
- Develop regulatory framework in line with technological innovations
- Develop seamless off-site and on-site monitoring (abolish the Inspection Bureau)

Integrated Tax, Social Security and Healthcare Reform

The Abe Administration aims to enhance Japan’s fiscal position

Key measures include:

- Healthcare system reform
- Improving productivity
- Social Security reform
  - » *Optimizing/streamlining medical/care services delivery system*
  - » *Optimizing benefits/burdens*
- Consumption tax hike to 10% in October 2019



Overview of Aflac Japan

Masatoshi Koide
President and Representative Director,
Aflac Life Insurance Japan Ltd.

Roadmap

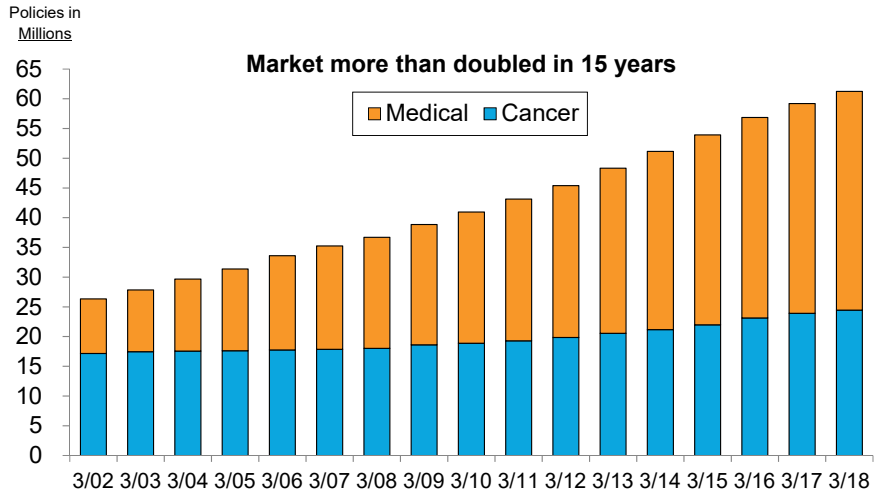
I. Japan Insurance Market: The Growing Third Sector

II. Aflac Japan's Competitive Advantages

III. Aflac Japan's Vision and Strategy for Growth

Opportunity for Growth: Third Sector Policies

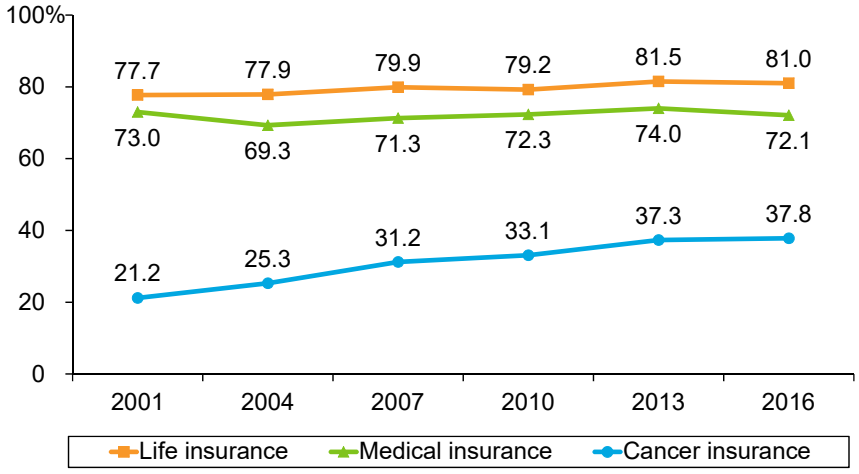
(Cancer & Medical, FSA Basis, Stand-alone, Life Industry Only)



Source: Life Insurance Association of Japan

Cancer Insurance Market Penetration

(Product Penetration, Individual Basis, Three-year Interval Data)

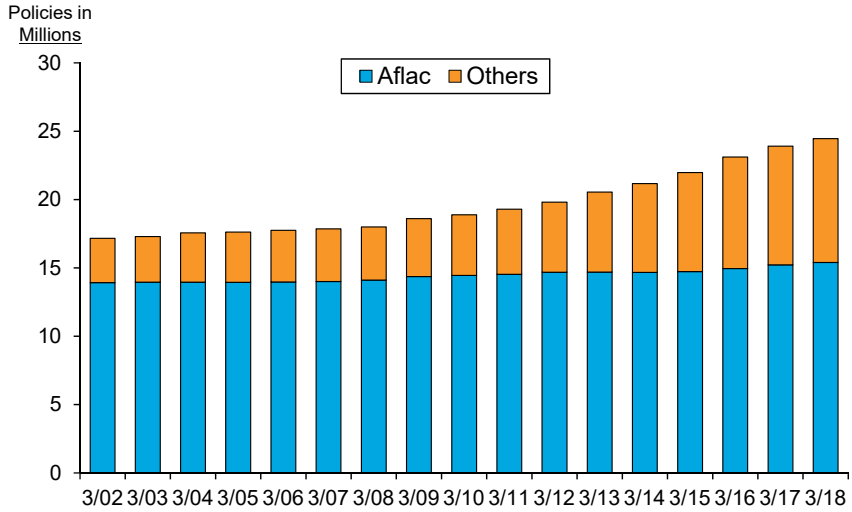


Life insurance does not include annuity insurance or child endowment

Source: Japan Institute of Life Insurance

Leader in a Growing Market: Cancer Insurance Policies

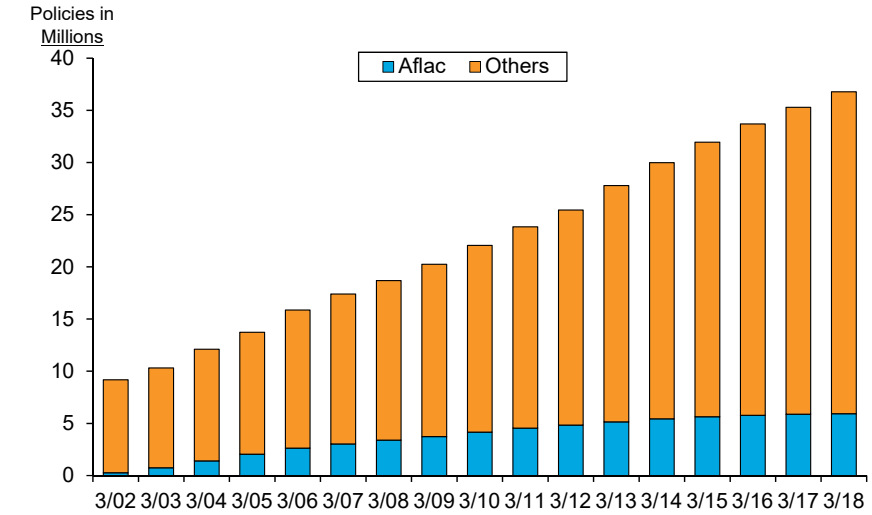
(FSA Basis, Stand-alone, Life Industry Only)



Source: Life Insurance Association of Japan

Leader in a Growing Market: Medical Insurance Policies

(FSA Basis, Standalone, Life Industry Only)



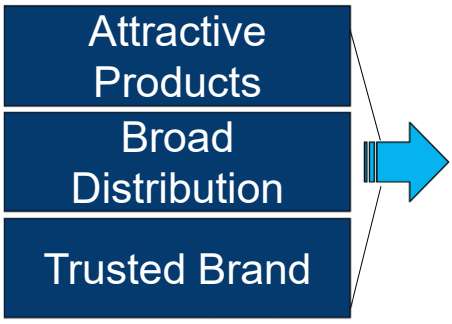
Source: Life Insurance Association of Japan

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 as a Market Leader



Aflac Japan is the leading company for cancer and medical insurance in Japan

Competitive Advantage: Attractive Products

Cancer	Days 1- Cancer insurance for daily living Days 1 Plus
Medical	EVER
Income Support Insurance	Income Support Insurance
First Sector	Prepare Smart Whole-Life Insurance

Competitive Advantage: Broad Distribution

Category	Channel	Details
Core	Traditional Channel	• Vital for Aflac Japan sales, with approximately 11,000 agencies
Strategic Partners	Japan Post	• More than 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 March 2018

Competitive Advantage: Trusted Brand

Aflac's brand recognition is over 91%

Aflac's widely-recognized brand:

- Attractive to business partners
- Communicates high-quality products and services for "insurance for daily living"

「生きる」を創る。

Aflac

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
- Cultivate an innovation-driven corporate culture

Japan Branch Conversion to Subsidiary

Strategic benefits of conversion

- Greater business development flexibility
- Enhanced capital flows transparency

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

Explore Growth-Oriented New Business Opportunities

Aflac Japan's Health Promotion Medical Insurance

健康なら保険料をキャッシュバック
アフラックの
健康応援医療保険

Digital Health Platform

Medical Note

MRSO

Hospital Referral

Online Healthcare Consulting

Activity Program

Digital Medical Dictionary

Online Health Checkup Reservation

Digital Innovation and Customer Experience Enhancements

Improving policy application process	
Digimo 2.1	Interactive platform for insurance product selection to streamline application process

Leveraging open innovation to enhance customer experience	
Straight-Through Payments	Enabling instant claims payments through biometrics and leveraging Mitsubishi UFJ online banking service for real-time bank transfer
Cash Remittance Service	Providing cash remittances through Seven Bank ATMs and 7-11 cash registers – an industry first

Aflac Innovation Lab

Leading Aflac Japan's new business development initiatives

Promoting an Innovation-driven Corporate Culture





Cultivate an Innovation-Driven Corporate Culture

Innovation-driven Corporate Culture

- Diversity Promotion
- Work SMART

Talent Development: Leader Training

- Next Generation Executive Development Program
- U.S. Training Program

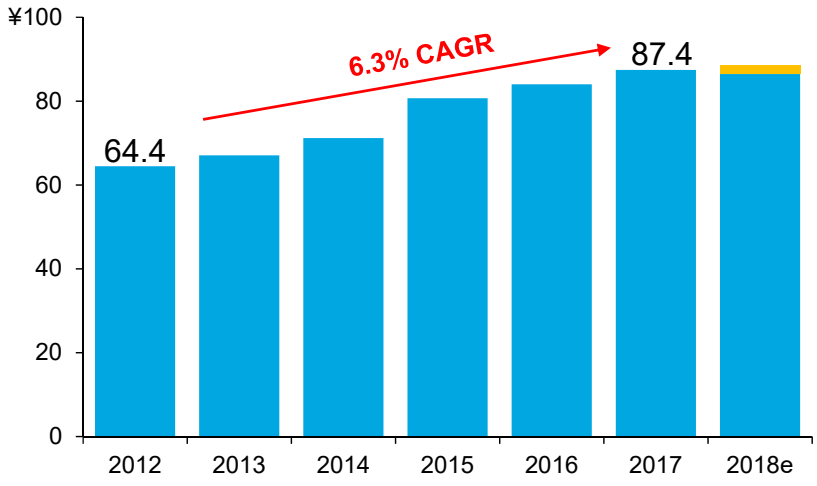


Aflac Japan Sales and Marketing Overview

Koji Ariyoshi
Director,
Executive Vice President;
Director of Sales and Marketing,
Aflac Life Insurance Japan Ltd.

Review of Results: Third Sector New AP

(Yen in billions)



Cancer Insurance: Evolving Coverage



Coverage that matches the changing medical environment and leverages Aflac Japan's 40+ years of expertise and experience

Successful Launch of New Cancer Insurance: Key Initiatives in Two Channels

Agency	• Rolled out TV commercials targeting existing policyholders and direct mail campaign linked to the commercials • Focused on inviting customers to face-to-face meetings after sending out direct mail • Introduced a digital platform for navigating customers towards the most appropriate coverage
Japan Post	• First new product release since expanding to 20,000 post offices offering Aflac's cancer insurance • Front-loaded sales efforts to second quarter

Growth Potential in Third Sector

Environment	Customer need
Longevity and an aging population	To prepare for old age, including disease, injury, nursing care, etc.
Healthcare and medical technology advancements	To add or revise coverage to match the current medical environment

Product Strategy

1	Offer enhanced products for one's stage of life
2	Offer enhanced coverage to match healthcare and medical technology advancements

Provide the latest coverage with more flexibility in coverage design to meet customer needs at each stage of life

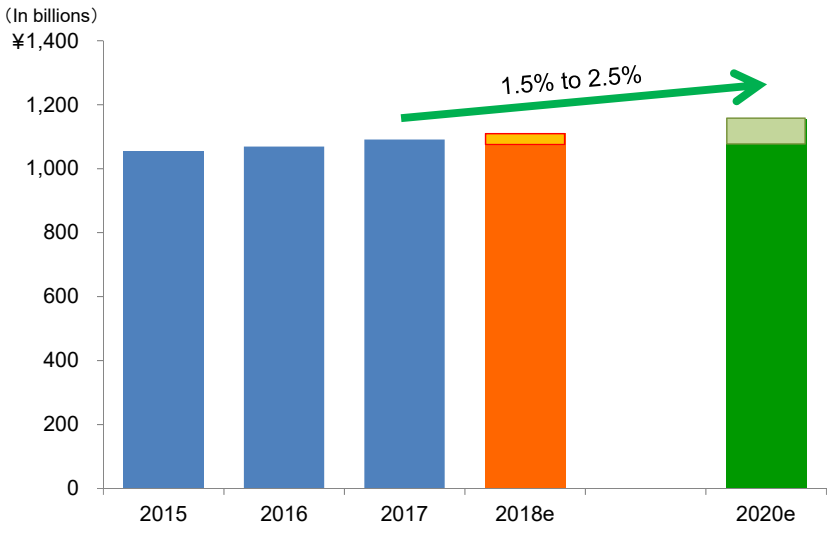
Cancer	Medical	Income support	First sector protection
			

Channel Strategy

	Channel category	Initiatives
Major channels (with large share of sales)	**Agency** Approx.11,000 agencies nationwide	• Further explore the existing policy market • Increase involvement in the management of each agency to help establish robust management base and business structure • Establish an infrastructure for more efficient sales activities
	Strategic Partner Approx. 20,000 post offices nationwide	• Promote sales at Japan Post's community-based sales network across Japan • Provide continuous support for Japan Post agent activities

Outlook for Earned Premium Growth:

Protection EP




Aflac

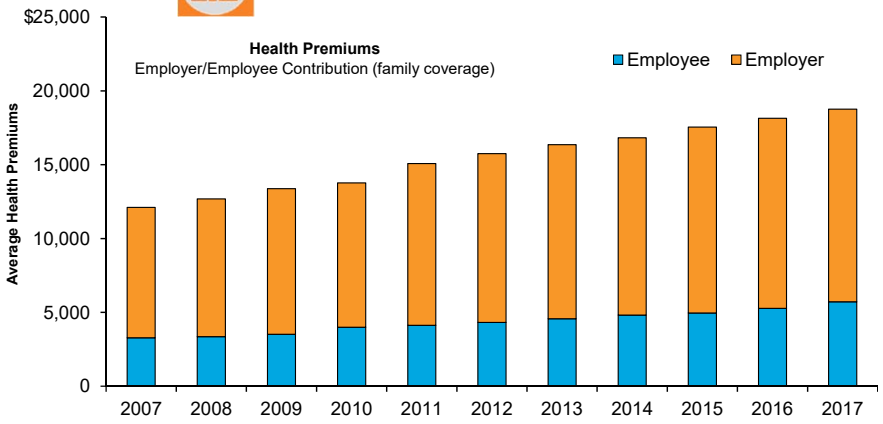


Overview of Aflac U.S.

Teresa L. White
President,
Aflac U.S.

Cost of Health Coverage Continues to Rise

Worksite Health Coverage



- Average employee contribution for family coverage has increased 32% since 2012, while workers' wages increased only 11.8%.

Source: Kaiser Family Foundation Survey of Employer-Sponsored Health Benefits, 2017, and Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Aflac U.S. is Well Positioned in the Market…

Brand Recognition



- **460,000 businesses trust Aflac**
- **9 out of 10 consumers are aware of Aflac**

Aflac SmartClaim® One Day Pay™

Distribution Reach

Aflac named #1 Voluntary Benefit Carrier by Employee Benefit Advisor in 2017



8,500 Average Weekly Producers

Simple Solutions…

…to complex benefit challenges

13 million policies in force



For decades, Aflac has focused on creating a

Powerful and Respected Brand

that has become an integral part of our success.

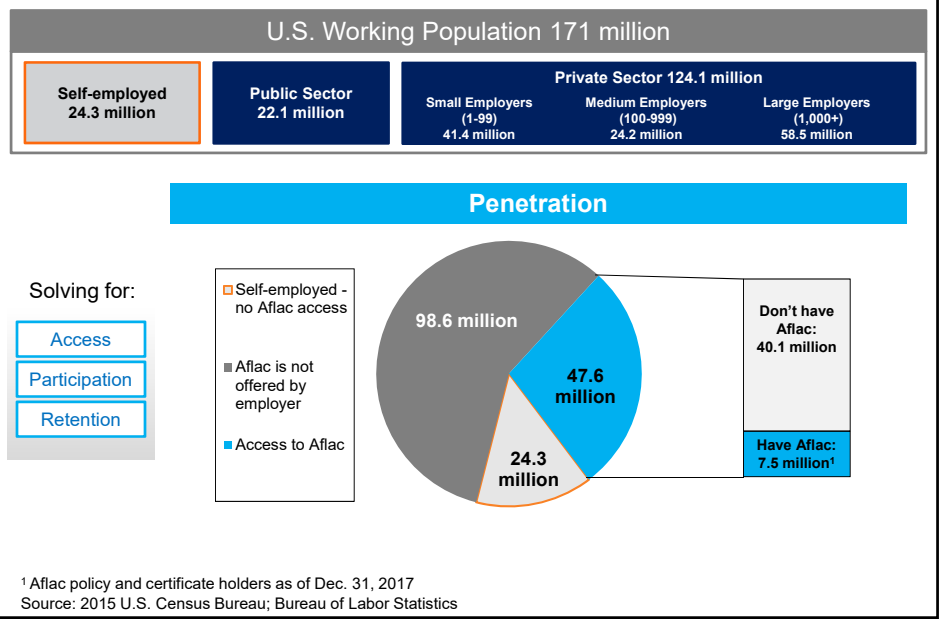
More than nine out of ten people in the U.S. recognize the Aflac brand.

Our feathered friend has served as an effective door opener and catalyst to connect with thousands of consumers and payroll accounts.



*Source: December 2017 Aflac segmentation study

Aflac's Tremendous Growth Opportunity



[1] Aflac policy and certificate holders as of Dec. 31, 2017
Source: 2015 U.S. Census Bureau; Bureau of Labor Statistics

Aflac U.S. Strategic Objectives

Growth

- Continue to innovate products and solutions that **customers** want and need
- Expand distribution - be where the **customer** wants to purchase insurance

Efficiency

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

Experience

- Continue to leverage technology and understanding of the **customers'** needs to drive positive brand experience and **customer** satisfaction

Risk and Regulatory

Enterprise Efficiency Project Activities will Decrease our Expense Ratio Over Time…

Aflac Group's expense ratio has improved 8 percentage points since 2015

Transformation Plan
Simplification · Automation · Robotics
Everwell ✓ 9% improvement in agent productivity [1]
Customer Relationship Management ✓ Delivered Broker CRM (Sales Pipeline) ✓ Delivered Sales Talent Manager (Recruiting) ✓ Delivered Sales Proposal System ✓ Delivered Career CRM
Aflac Group End-to-End ✓ Delivered 5+ new core systems in Q1 2018

[1] Everwell agent productivity for 12 months measured on a one-quarter lag, ending March 31, 2018.

Innovation to Enhance Customer Experience





Aflac One Day Pay	Aflac SmartClaim Mobile App
• Paid 2.2 million One Day Pay claims in 2017	• 60% SmartClaim adoption
• 90% policyholders who use One Day Pay say they are likely to refer other people to Aflac	• 220,000 mobile downloads

Strategic and Venture Investments

wellthie

EMPOWERED

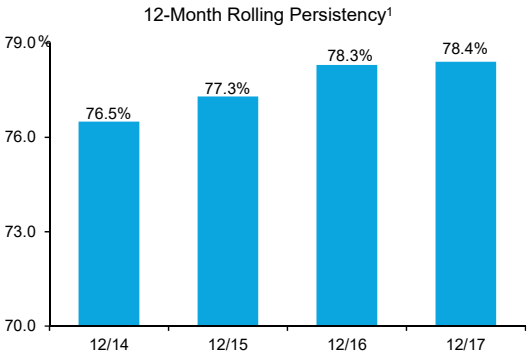
picwell

LimelightHealth

Premium Persistency Reflects Our Success



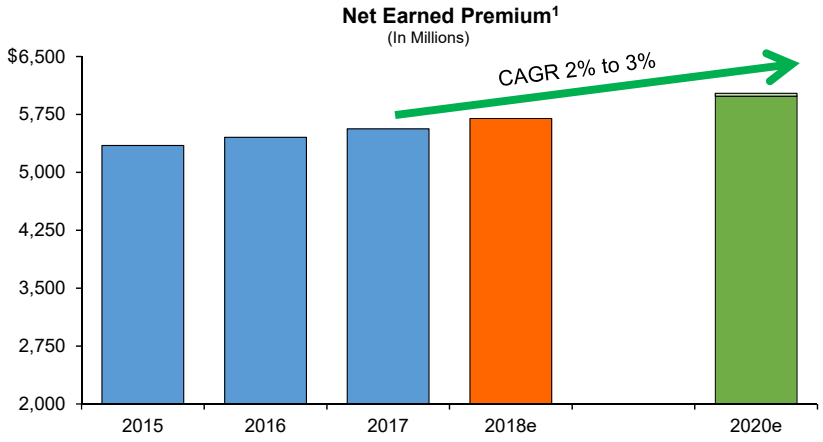
We promise to be there in their time of need.



2017 Record-setting Aflac U.S. Premium Persistency: **78.4%**

[1] The premium persistency rate from 2015 forward have been adjusted to reflect the inclusion of reinstatements.

Aflac U.S. Growth Outlook:
Focus on **Access, Participation** and **Retention**



Maintain strong persistency and generate steady earned premium (EP) growth of 2% to 3%

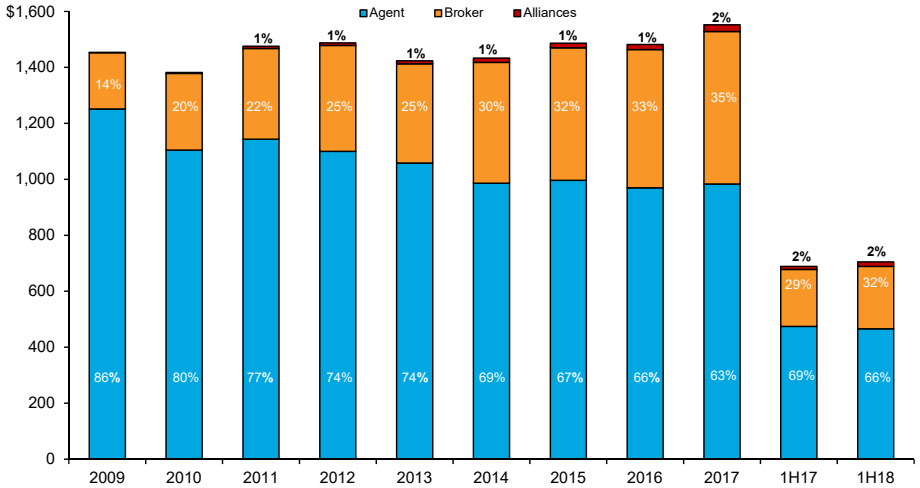
[1]Note: Earned premium (EP) calculated on net basis; i.e., after reinsurance.

Aflac U.S. Growth Strategy: Capitalizing on Market Opportunity through Increasing Access and Penetration

Rich Williams
EVP, Chief Distribution Officer,
Aflac U.S.

Aflac U.S. Distribution: a Unique Model in the Industry

(New AP in millions)



	2009	2010	2011	2012	2013	2014	2015	2016	2017	1H17	1H18
$ in Millions	1,453	1,382	1,476	1,488	1,424	1,433	1,487	1,482	1,552	689	705
% Δ YoY	(6.4)	(4.9)	6.8	0.8	(4.3)	0.7	3.7	(0.3)	4.7	2.1	2.3

Aflac U.S.: Profitable Growth Opportunities

SMALL BUSINESS

- 41 million small businesses[1]
- Less than 10% penetration with employers who offer Aflac solutions
- Requires deep and broad distribution reach
- Not price sensitive

BROKERAGE

- 400,000+ brokerage firms in U.S.[2]
- 57% of brokerage firms actively sell voluntary benefits[3]
- Brokerage firms are local/regional in nature
- Accelerated growth rate for broker influenced sales

EXISTING ACCOUNTS

- 460,000+ existing accounts
- Number of existing accounts is flat over the last 5 years
- Only 29% of accounts convert to 2nd year premium

GIG ECONOMY

- By 2020, more than 40% of the U.S. workforce will be engaged in "gig" work[4]
- Contingent workers represent the fastest growing population
- Gig-economy workforce currently doesn't have easy access to voluntary benefits

[1]U.S. Census Bureau; Bureau of Labor Statistics, 2015
[2]IBISWorld: U.S. Industry Market Research Report: Insurance Brokers & Agencies in the U.S., July 2018
[3]Eastbridge Spotlight Report: Brokers and Voluntary Benefits – The Competition Intensifies, May 2018
[4]Intuit 2020 Report: Twenty Trends That Will Shape the Next Decade

Leveraging Distribution: Increasing Access and Penetration

Agency



Broker



Account Management



Partnerships / Digital



Product Solutions

Aflac U.S. Product Solutions: Addressing Evolving Customer Needs

PORTFOLIO INNOVATION	PORTFOLIO EXPANSION	CONTINGENT WORKFORCE SOLUTIONS
Deliver best-in-class Individual and Group products through regular refresh cycles	Expand our product portfolio by offering new lines of business to enable growth within our U.S. distribution channels	Deliver solutions for the growing contingent workforce who do not have access to traditional benefits at the workplace

We will continue to drive first-to-market concepts and innovation via:

- Benefit designs that reward positive outcomes and healthy behaviors
- Flexible products that adapt to consumers' life stage and need
- Delivering value on day 1 to the customer through value added services
- Responsive product packaging that helps to cover risk in new ways
- Supporting business model evolution to address consumer experiences and demands, demographic shifts in the workforce, emerging technology, and ever-changing market boundaries

Digital Distribution: Access for the U.S. Contingent Workforce

Growth Strategy

- Create consumer centric products, processes and technology
- Improve and develop technology to create more consumer access points
- Improve customer targeting, analytics and lifecycle journey
- Distribute direct products through current producers, partnerships and e-commerce

Implications

- Greater access to an evolving workforce (i.e., contingent workers)
- Acceleration of incremental sales

Next Steps

- Stand up a new, cloud-based platform for deploying end-to-end direct products
- Establish a stand-alone direct-to-consumer team
- Source an end-to-end direct policy administration platform
- Engage with consumer-directed agencies



Aflac Global Investments

Eric M. Kirsch
President, Aflac Global Investments
Executive Vice President
Global Chief Investment Officer
Aflac Incorporated

2018 Investment Themes

Investment Performance has added value across a number of dimensions

Hedging Strategy

- Aflac Japan Dollar Program
- Three pronged approach
- Floating rate strategy growth
- Navigated Libor volatility
- Hedge ratio steady ~40%
  - » Stressed economic value of Aflac Japan

Improved NII less Hedge Costs

Expanding Yen Fixed Income

- Navigating low Japan yields
- Private placements
- Yen public credit

Diversification and Enhanced Yields vs JGBs ALM Duration with Low Volatility (PRM)

Tactical Asset Allocation

- US tax reform provided switch trade opportunities
  - » Aflac Japan $1.2bn
    - » $11.2mm NII Impact, $18.3mm annualized[1]
  - » Aflac US $500mm tax advantaged munis
    - » $2.1mm after tax income impact, $3.1mm annualized
- Purchase of $1.1bn TRE portfolio

Improved Income and Diversification

Evolution of Aflac Global Investments

- Converted to a subsidiary: January 1 2018[2]
- Harvested NXT equity stake ~ 15% IRR
- SAA recalibration

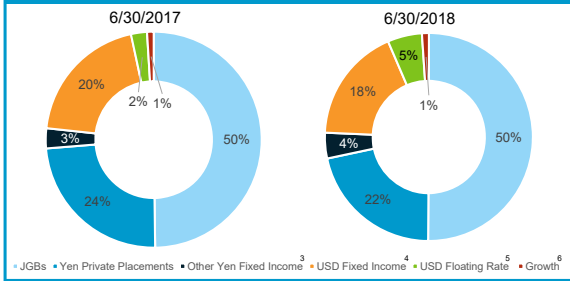
Exploring Opportunities to Leverage Our Platform

[1]Post Hedge Costs. See the Appendix for a definition of hedge costs, which is a non-GAAP financial measure [2]Aflac Asset Management LLC; Aflac Asset Management Japan Ltd.

Aflac Japan Portfolio Asset Allocation

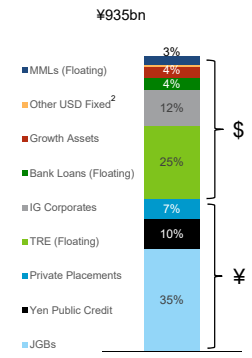
Based on BV (US GAAP) as of 6/30/18

Portfolio Asset Allocation



Book Value:	**$95bn**	**$102bn**
Duration:	**13.6yrs**	**13.5yrs**
New Money Yield:	**1.54%**	**2.88%**
Book Yield:	**2.55%**	**2.59%**

New Money Asset Allocation[(1)]



Asset Allocation Highlights

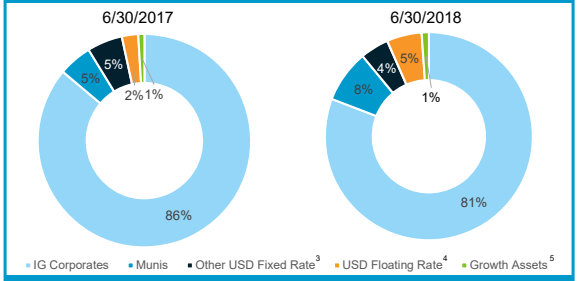
- 52% to Yen denominated assets; 48% to USD denominated assets
- 32% of new money allocated to floaters
- 17% of new money allocated to yen public and private fixed income
- Modest pacing of growth assets; 4%

Note: Percent's may not add to 100 due to rounding
[1]Includes Equity Rebalancing [2]Includes CMLs ,and HY Corporates [3]Includes RMBS, Municipal Bonds, Corporate Bonds, [4]Includes HY Corporates, CMLs, Infrastructure [5]Includes Transitional Real Estate, Middle Market Loans, Bank Loans, Infrastructure (floating) [6]Includes Japan/US Equity and Alternatives

Aflac U.S. Portfolio Asset Allocation[1]

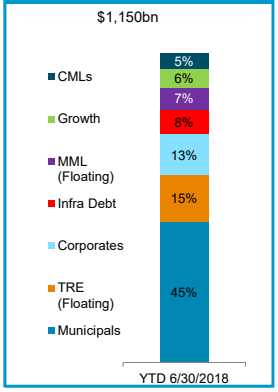
Based on BV (US GAAP) as of 6/30/18

Portfolio Asset Allocation



Book Value:	**$13bn**	**$13bn**
Duration:	**8.9yrs**	**9.0yrs**
New Money Yield:	**4.40%**	**4.33%**
Book Yield:	**5.54%**	**5.53%**

New Money Asset Allocation[2]



Asset Allocation Highlights

- 22% of new money allocated to floaters
- 45% of new money allocated to munis – switch trade
- Modest pacing of growth assets – 6%

Note: Percents may not add to 100 due to rounding

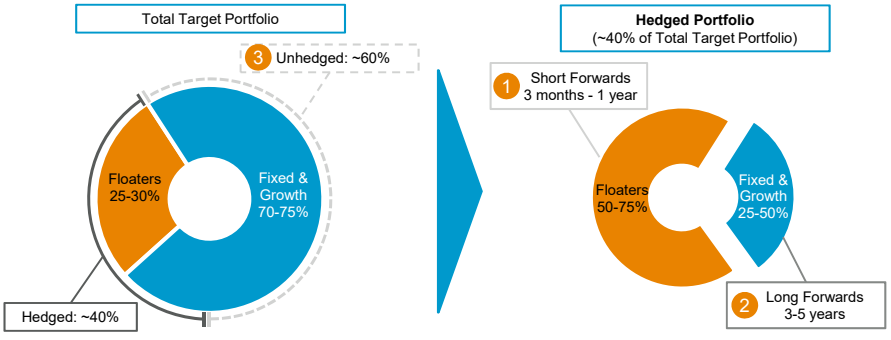
[1]Aflac US Segment; excludes Aflac Inc. and CAIC Retrocession [2]Includes Equity Rebalancing [3]Other USD fixed rate includes Government, Agency (foreign and supranational), CMLs, Infrastructure, securitized Assets and High Yield Corporates [4]USD floating rate includes Middle Market Loans, Bank Loans, Transitional Real Estate [5]Includes US Equity and Alternatives

Aflac Japan Dollar Program Transition

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	• Aligns to stressed economic value of Aflac Japan

Target Portfolio (% of MV)

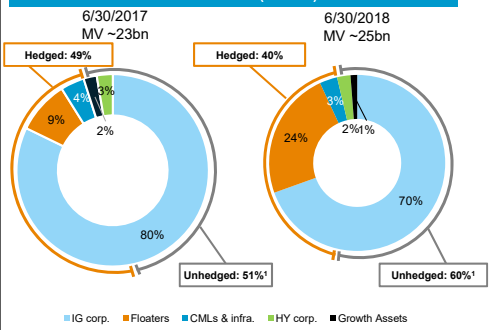


[1]F/X collars may be used to most efficiently express unhedged USD exposure

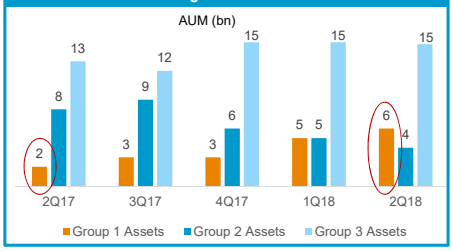
Aflac Japan USD Program: Investment and Hedging Strategy

Based on BV (US GAAP) as of 6/30/18

Dollar Portfolio (6/30/18)



3 Pronged Evolution[2,3,4]



- Group 1 targeted for asset growth
- Group 2 & 3 impacted by hedge ratio

Portfolio Metrics and Net Investment Income Analysis YTD (6/30/18)[2,3,4]

Three Prongs	Market Value ($bn)	Asset Duration (yrs)	Hedge Duration (yrs)	Gross Income ($mm)	Hedge Costs ($mm)	Net Income ($mm)	Gross Implied Yield	Hedge Costs (Monthly Avg AUM)	Net Yield[5]
Group 1	5.8	0.2	0.3	127.2	(54.0)	73.2	5.54%	2.39%	3.15%
Group 2	4.1	8.5	3.6	80.6	(56.0)	24.6	3.67%	2.34%	1.33%
Group 3	14.8	8.2	-	311.4	-	311.4	4.11%	-	4.11%
Total	24.7	6.4	N/A	519.2	(110.0)	409.2	4.32%	0.90%	3.42%

[1]Economic market value of unhedged USD exposure) [2]Group 1 assets Includes: BL, MML, TRE, infrastructure (floating) [3]Group 2 assets Includes: CML, IG [4]Group 3 Assets includes; Equity, High Yield, IG, Infrastructure, alternatives (excluding RDC income [5]Not Including internal or external investment expenses; excludes alternative assets from net yield

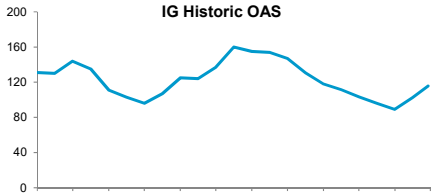
Investment Income and Credit Performance Well Positioned

Markets

Market Factors

- US and JPY Rates ⬆
- FX ¥/$ ⟺
- Credit Spreads ⬆
- Hedge Costs ⬆

Credit Cycle



Aflac

Aflac Incorporated

- Optimizing Capital
- Subsidiary Dividend Policy
- Managing currency risk
- Internalizing Hedge Costs

Global Investments

- Strategic Asset Allocation
- Tactical Asset Allocation
- New Money Reinvestment Yield
- Floating Rate Income
- Hedging Strategy
- Disciplined Credit Underwriting

Aflac Global Investments is Driving Performance

- Diversification & risk mitigation ✓
- Income enhancing investments ✓
- Strategic investment opportunities ✓
- Dynamic hedge strategy ✓
- Evolving Asset Management Model ✓

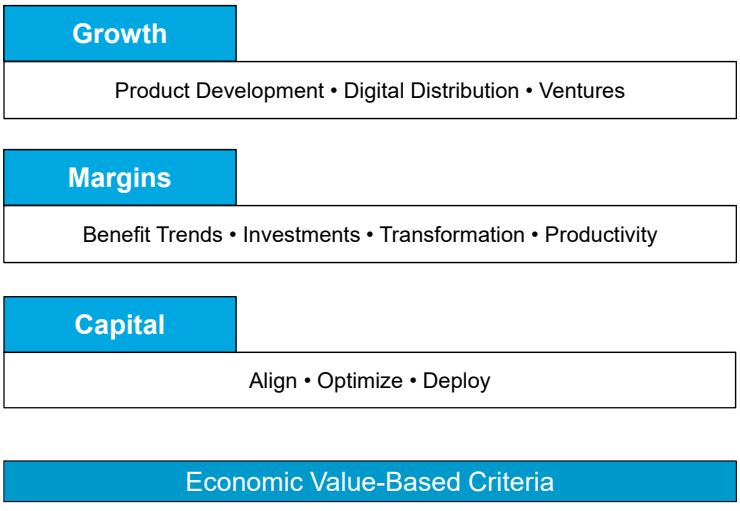




Financial Outlook

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

Drivers of Long-Term Shareholder Value



Aflac Corporate Ventures

~$300 million of capital invested or committed since 2015

Aflac Incorporated

Aflac Corporate Ventures

Aflac Ventures Fund
Columbus, GA

$100 million global venture investment fund, which was **increased to $250 million** in September 2018

Aflac Corporate Ventures Japan
Aoyama, Tokyo (Shibuya)

Will originate venture investments in Japan and Asia as part of Aflac Japan Innovation Lab

Empowered Innovation
Charlotte, NC

Will develop inorganic growth opportunities leveraging digital technologies and innovation

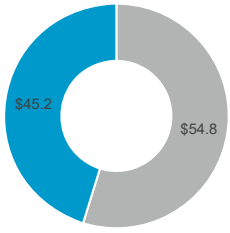
Empowered Benefits
Charlotte, NC

Independent technology platform for enrollment and benefits administration solutions

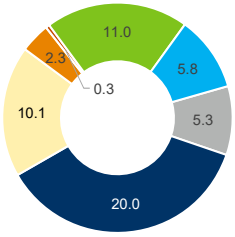
Denotes entity to be formed

Aflac Corporate Venture Fund

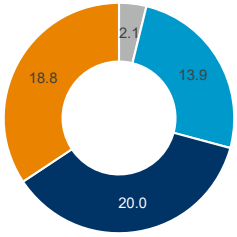
Total Fund - $100M



Sector Allocation - $54.8M



Allocation by Stage - $54.8M



Highlights

- **Increased fund to $250 million 9/18**
- Evaluated over 1000 opportunities to date
- Closed on $23.4 million of investment to-date with $31.4 million under evaluation
- Aligned with Aflac businesses in Japan and U.S. via commercial relationships
- Strategic partnerships with global accelerators like Plug and Play & Carolina Fintech Hub

Current Investments

Medical Note
wellthie
ttv capital
MRSO
LAPETUS
picwell
tomorrow
LimelightHealth

Note: Allocations include current and proposed investments as of August 31, 2018

Aflac Japan: Strength in Core Margins

Aflac Japan

	1H 2018	2018e	2018e – 2020e
	Total	Total	Total
Benefit Ratio[1]	69.8%	~70%	69.0 - 71.0%
Expense Ratio[2]	19.8%	~20%	19.5 - 21.5%
Pretax Profit Margin	21.5%	~21%	19.5 - 21.5%

Revenue CAGR (-1%)

Considerations

- Business mix
- IT and digital investments
- Net investment income

Long-Term Targets (2022)

- Expense ratio of ~20%
- Offsetting benefit ratio decline
- Keys: Business mix and revenue

[1] Benefit ratio measured to earned premium
[2] Expense ratio measured to total revenue

Aflac U.S.: Stable Profit Margins

Aflac U.S.

	1H 2018	2018e	2018e – 2020e
	Total	Total	Total
Benefit Ratio[1]	50.5%	~51%	50.0 - 52.0%
Expense Ratio[2]	34.1%	~35%	34.0 - 36.0%
Pretax Profit Margin	21.1%	~19.5%	18.0 - 20.0%

Revenue CAGR ~ 2%

Considerations

- Business mix
- IT and digital investments
- Excess capital drawdown

Long-Term Targets (2022)

- Expense ratio in 33-34% range
- Earned premium CAGR of ~2.5%
- Keys: Sales, retention, execution

[1] Benefit ratio measured to earned premium
[2] Expense ratio measured to total revenue

Enterprise Capital Initiatives



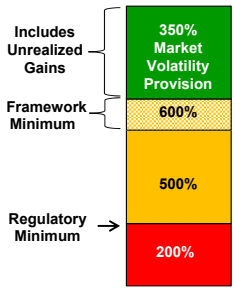
Capital Management

Max K. Brodén
Senior Vice President;
Treasurer and Head of Corporate Development,
Aflac Incorporated

Aflac Japan Capital Optimization

SMR ~950%

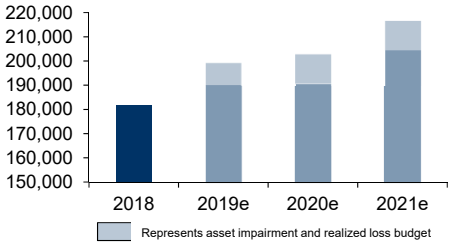
(as of June 30, 2018)



SMR Sensitivity as of June 30, 2018 (% points[1])	
Yen rates +1%	(65)
Dollar rates +1%	(50)
Yen strengthens +10	(45)
Credit spreads +1%	(95)

FSA Earnings Projection

(Fiscal year ending March, ¥ in millions)[2]



Dividend Policy

- Up to 100% of FSA earnings (previously 80%)
- AFS portfolio and foreign currency influences SMR, FSA earnings and ultimate dividend capacity:

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

[1] SMR sensitivities to rates, spreads and currency movement are not linear [2]Assumes 110 ¥/$,

Aflac U.S. Capital Optimization

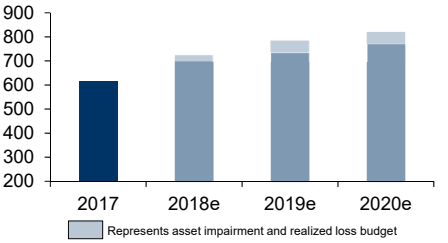
$1 billion capital drawdown began in 2018 – 2019
Targeting RBC of ~500% by year-end 2019

Drawdown of Pro Forma U.S. Stand-Alone RBC

	2018e	2019e
RBC **before** drawdown	~850%	~650%
U.S. excess capital utilization[1]	**$500mm**	**$500mm**
RBC **after** drawdown [1,2]	~650%	~550%
Statutory dividend request	Extraordinary	Extraordinary

U.S. Statutory Earnings Projection

(Year ending December, $ in millions)



Considerations

- Tax reform Company Action Level impact of 75 points included in 2018 forecast
- 2019 - 2020 annual statutory net earnings run-rate of $725 to $775 million
- Ordinary dividend of 80% to 100% of U.S. statutory earnings

[1] RBC projections include the full impact of tax reform and excludes the impact of proposed C-1 changes
[2] Includes annual Aflac U.S. only dividends generated from operations at 80% of statutory net earnings

Internalizing Hedge Costs: Reducing FX Exposure

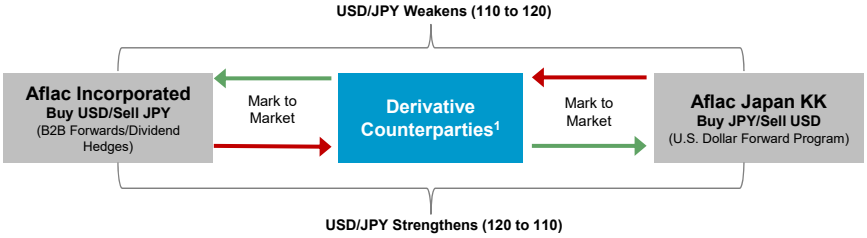
Overview

- Enter into offsetting forward contracts at Aflac Incorporated to internalize hedge costs incurred in Aflac Japan KK
- Offset the yen exposure in Aflac Japan KK by increasing the U.S. dollar exposure at Aflac Incorporated

Key Benefits

- The Japan policyholder remains neutral or benefits from the project
- Improve U.S. GAAP Adjusted Earnings on an annual run-rate basis
- Internalize hedge costs in the most capital efficient way possible
- Keep our cost of capital and ratings in line with the current state
- Reduce net income volatility

AFL Derivative Portfolios by Entity: Mark-to-Market Movements Due to Changes In USD/JPY



[1]Any third-party dealer Aflac Incorporated or Aflac Japan KK faces on derivative exposures.

Aflac Incorporated Strong Capital & Liquidity

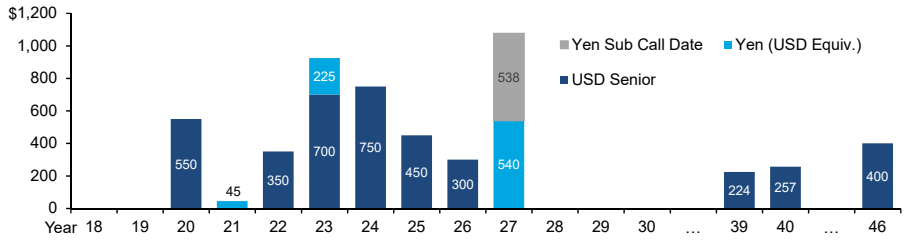
Capital Structure and Liquidity Objectives

- Maintain strong capital ratios and investment grade ratings
- Support nimble investment in our strategic growth objectives
- Balanced shareholder distribution policy
- Defend low cost of capital
- Optimize yen and dollar financing mix while managing duration
- Maintain leverage ratios within our current ratings

Aflac Incorporated Liquidity

$mm	2016	2017	2018e
Operating Cash[1]	$1,480	$2,683	$2,365
- Capital Buffer[2]	$500	$1,000	$1,000
- Liquidity Support[2]	$250	$500	$500
Cash Available to Shareholders[3]	$730	$1,183	$865

Notes Payable Maturity Profile[4] (In millions)



[1]Total cash less non-operating cash
[2]Balance based on internal policy
[3]Net cash that may be deployable to shareholders at a given time
[4]As of 6/30/2018. USD notes based on issuance amount

22

Unlocking Incremental Excess Capital

Hedge Internalization	• Internalize 10 to 25% of hedge costs associated with Aflac Japan's hedged USD program
Subsidiary Payout Ratio	• Strong SMR and ESR supports an Aflac Japan payout ratio in the range of 80 to 100% » A 100% payout ratio would add ~$350 million to annual deployable capital • Strong RBC supports an Aflac U.S. payout ratio in the range of 80 to 100% » A 100% payout ratio would add ~$150 million to annual deployable capital

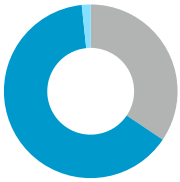
Potential for $1 billion of incremental deployable capital for 2019-2020

Capital Deployment

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

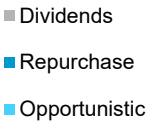
Capital Deployment Under Stable Conditions

2015-2017
$6.1 billion[1]



2018-2020
~$6.5bn to ~$7.5bn





Considerations

- Run-rate annualized insurance subsidiary dividends[2] of $2.0 billion to $2.5 billion
- Deployable Capital – excess capital after reinvestment in core insurance businesses
- 2018-2020 range includes excess U.S. capital deployment of ~$1.0 billion in 2018 and 2019
- Opportunistic represents amounts available for repurchase, retention, or reinvestment

[1] Amounts include repatriation of FSA earnings generated from reinsurance transaction;
[2] Assumes average exchange rate of 110 ¥/$ and excludes dividend of excess U.S. capital in 2019 .

Appendix

Definitions of Non-U.S. GAAP Financial Measures

- Aflac defines adjusted earnings (a non-U.S. GAAP financial measure) as the profits derived from operations. 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 realized investment gains and losses, except for amortized hedge costs related to foreign currency denominated investments. 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 Aflac's underlying business performance.
- Amortized hedge costs represent costs incurred in using foreign currency forward contracts to hedge the foreign exchange risk of a portion of the 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 U.S. GAAP financial measure for amortized hedge costs.


Aflac®